

OFFICIAL

2020-21 ANNUAL REPORT of the SOUTH AUSTRALIAN COUNTRY FIRE SERVICE



**Government
of South Australia**

SOUTH AUSTRALIAN COUNTRY FIRE SERVICE

2020-21 Annual Report

South Australian Country Fire Service
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ISSN:	0728-8352
Date presented to SAFECOM Board:	26 October 2021

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To: The South Australian Fire and Emergency Services Commission (SAFECOM)

This annual report is presented to SAFECOM to meet the statutory reporting requirements of section 101(1) of the Fire and Emergency Services Act 2005 and the requirement within the Premier and Cabinet Circular PC013 Annual Reporting.

This report is verified to be accurate for the purposes of annual reporting to the SAFECOM Board.

Submitted on behalf of the South Australian Country Fire Service (SACFS) by:

Mark Jones QFSM
Chief Officer
SA Country Fire Service

Date 26 October 2021

Signature



SACFS were unable to submit the 2020-21 Annual report to the Board in October due to limited staffing resources.

From the Chief Executive



The COVID-19 pandemic continued its impact in 2020-21, however, thankfully we got through the year without the catastrophic bushfires we experienced in 2019-20.

Nevertheless, the SACFS still attended around 9,000 incidents, including vehicle accidents, bush and grass fires, structural fires, and HazMat incidents. All capably dealt with through the commitment of our SACFS volunteers in providing approximately 1.3 million hours of dedicated service to the community.

In a year that has been categorised world-wide as unprecedented through the ever-present hazards of COVID-19, we have also worked hard in effecting operational improvement following the Cudlee Creek, Kangaroo Island, Blackford and Cherry Gardens fires. We worked closer with our Farm Firefighting Units, and remained committed to developing training opportunities, in particular on-line training.

We continued to grow our engagement with our stakeholders, acknowledging that the SACFS Volunteers Association (CFSVA) contributes greatly to the Service as an advocate and the CFS Foundation ensures our SACFS firefighters, and their families are taken care of when they have suffered personal loss whilst providing service.

The 2021-2025 Strategic Plan commenced its development, through a collaborative approach with our members and the CFSVA, set to be released later in 2021. The Plan will ensure we continue to put the community at the centre of all that we do and maintain our primary focus on service delivery. Importantly it will inform our budget priorities and spending forecasts. This unified approach to the direction of SACFS, outlining our priorities and aims to empower our people and provide a supportive environment in which to operate, will be supported by an annual plan outlining the actions SACFS will take to deliver on those key strategic objectives.

The SACFS has, for some time, been restrained through budget measures to create a modern fleet with appropriate safety systems, suitable properties from which to operate and the very best safety equipment for our crews. This is not sustainable in the future, and we look forward to working with our partner agencies in the Emergency Services Sector and the Government to achieve better budget outcomes allowing for an effective Service to improve and develop, becoming ever more professional in both our equipment and the way we deliver services into the future.

A handwritten signature in black ink, appearing to read 'Mark Jones'.

Mark Jones QFSM
Chief Officer and Chief Executive
SA Country Fire Service

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Overview: about the agency

The SACFS is South Australia's largest volunteer-based organisation, providing an emergency service dedicated to protecting life, property, and environmental assets in outer metropolitan, semi-urban, regional and rural areas of South Australia.

The SACFS is not defined by bushfire alone, with a third of our work responding to vehicle related incidents, another third is structural fire, and a small but critical portion of our response work involves hazardous material threats. On average the SACFS attends over 10 000 emergency events per year.

Our Agency works with other government and private sector agencies, industry, and the community to reduce risks, control hazards, and assist in recovery programmes.

The SACFS consists of approximately 190 full-time equivalent employees, and in excess of 13 500 volunteers (firefighters, cadets, operational support) providing a range of fire and emergency services to communities across South Australia. The extraordinary contribution of our volunteers is vital in ensuring the sustainability and delivery of fire and emergency services to the communities.

In addition, we perform an important role with local government and other government agencies in fuel reduction prescribed burning activities, bushfire prevention, and community bushfire and fire safety education. The SACFS also undertakes fire safety advisory and enforcement activities, similar to the SAMFS.

Our business is predicated on risk management principles (of which safety is a key priority), and these risks are incorporated into our planning, policy, governance, and decision making.

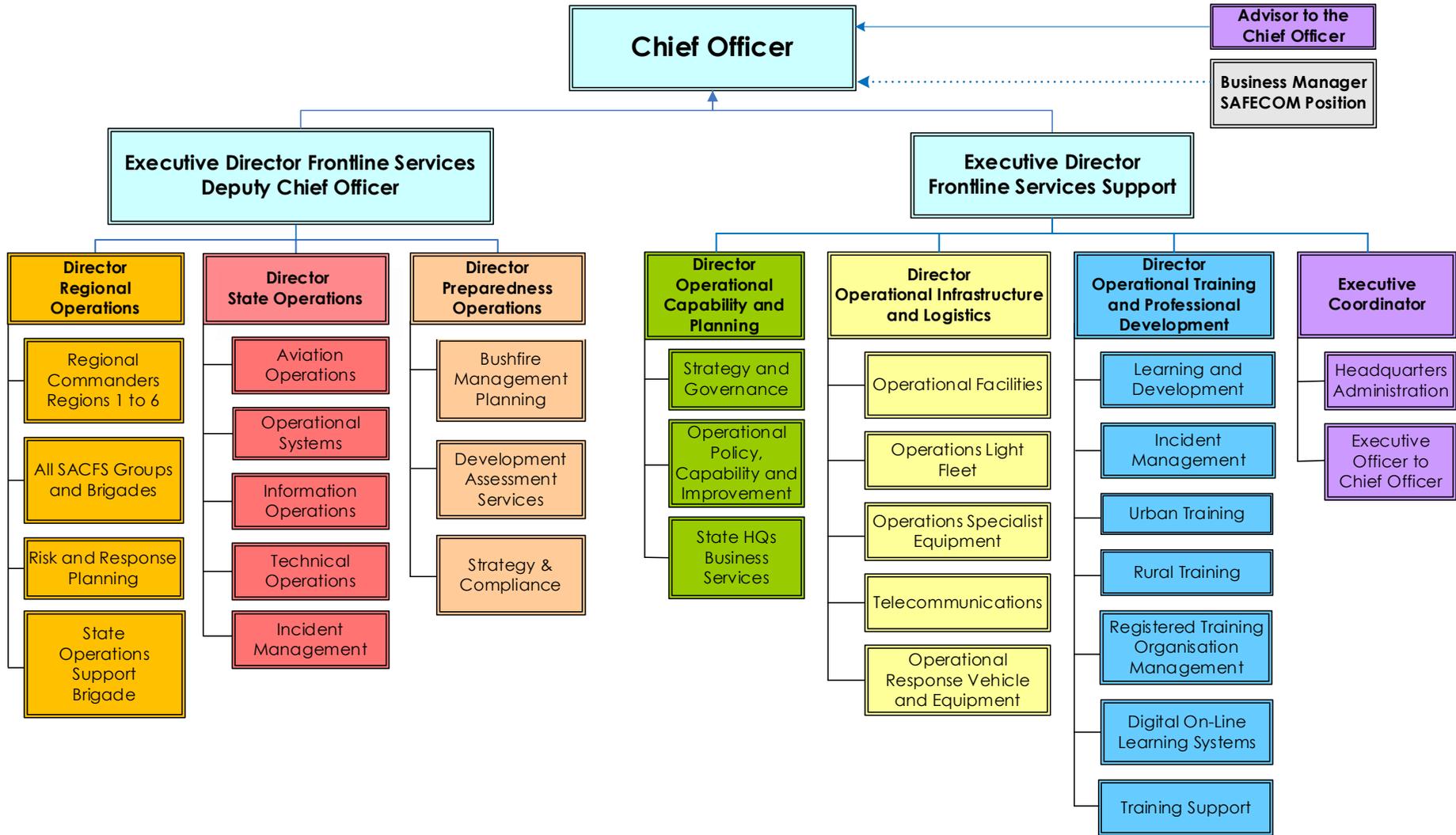
The SACFS has a strong focus on service delivery to the community and supports communities through the delivery of community programmes and raising awareness of bushfire risk and behaviour. Increasingly the thirst for immediate and accurate public information is a priority, which the SACFS delivers through new media and improved channels of communication. In addition, we focus on the risk and capability planning, and delivery of state-of-the-art equipment, qualified training, operational improvement, and the large suite of business activities to support an evidence based and best practice approach to service delivery.

Our strategic focus 2020-21

Our Purpose	The SACFS is an all-hazards agency providing response and prevention services to bushfire and structure fires and response services to motor vehicle fires, road crash rescue and hazardous material spills.
Our Vision	A trusted and effective community-based fire and emergency service.
Our Values	<p>The SACFS achieve outcomes through our people.</p> <p>We do what we do because we believe in our communities.</p> <p>Our achievements are the result of working together.</p> <p>We will be judged by what we do rather than what we say.</p>
Our functions, objectives, and deliverables	<p>The SACFS serves communities through dedicated volunteers delivering professional fire and rescue services to outer metropolitan, regional and rural South Australia.</p> <p>Our objectives are to:</p> <ul style="list-style-type: none"> • Protect life, property and environmental assets from fire and other emergencies. • Provide services with the aim of preventing the outbreak of fires, reducing the impact of fires, and preparing communities through comprehensive community engagement programmes. • Provide efficient and responsive frontline services for the purpose of fighting rural and structural fires, provision of road crash and other rescues, and providing specialist response such as with hazardous material incidents. • Provide emergency management capabilities and training together South Australian government agencies. • Develop and maintain plans to cope with the effects of fires or emergencies. • Provide services or support to assist with recovery in the event of a fire or other emergency.

SA Country Fire Service

Functional Grouping as at 30 June 2021



Our Minister



The Honourable Vincent Tarzia MP

- Minister for Police, Emergency Services and Correctional Services

Our Executive team



SACFS Chief Officer - Mark Jones QFSM

- The Chief Officer has legislative responsibility for SACFS
- Chair of the State Bushfire Coordination Committee
- He fulfils his statutory appointments on the South Australian Fire and Emergency Services Commission Board and the State Emergency Management Committee.
- Performs a representational function for the State on a range of intergovernmental and national committees and boards.
- Reporting directly to the Chief Officer are the Executive Director Frontline Services and the Executive Director Frontline Services Support.



Executive Director / Deputy Chief Officer - Andrew Stark AFSM

Is responsible for all Frontline Services in charge of:

- Preparedness Operations,
- Regional Operations, and
- State Operations.



Executive Director – Georgie Cornish

Is responsible for Frontline Services Support including:

- Operational Capability Planning,
- Operational Infrastructure & Logistics, and
- Operational Training and Professional Development.

Legislation administered by the agency

- *Fire and Emergency Services Act 2005*

Other related agencies (within the Minister's area/s of responsibility)

- South Australian Fire and Emergency Services Commission
- South Australian Metropolitan Fire Service
- South Australian State Emergency Service

The agency's performance

Performance at a glance

The SACFS commenced the 2020-21 Fire Danger Season (FDS) actively supporting the State response to COVID-19, the fruit fly outbreak and supporting New South Wales in their response to widespread flooding, in addition to being a year of recovery across the service. SACFS responded to three major incidents in the January of the 2020-21 fire season, Blackford, Cherry Gardens and the Yumali grass fire.

For the year SACFS members attended over 8,920 incidences and provided support responses to more than 7,980 incidents. A collective total of 1.3M hours were provided by our members to support emergency incidents that threatened our community. Of the total incidents attended in 2020-21 the majority related to:

- 26.3% special services,
- 24.95% vehicle response, and
- 21.46% for rural fires.

It is testament to the professionalism of the service and our members that all these operational accomplishments were achieved despite the ever-present hazards of the COVID-19 pandemic. Whilst the service had a quieter fire danger season, the SACFS and its members grappled with a significant share of challenges with road crash rescues, house and structure fires, and small grass and scrub fires.

SACFS maintained its COVID-19 taskforce to oversee changes in operational and business work arrangements in line with government directions. SACFS was able to maintain its ability to respond to emergencies and continue our business activities, while maintaining the safety of our personnel and the community thanks to the ongoing monitoring and actions by the taskforce.

In addition, SACFS continued to provide an incident management capability throughout much of the health emergency to supplement the SA Health emergency management team, concurrently and providing a similar capability to Primary Industries and Regions SA (PIRSA) in response to their fruit fly response operations.

SACFS continued with its own post season reviews and reporting, as well as progressing and actioning our response to the Natural Disasters Royal Commission, the Keelty Review, and our own independent review into the Kangaroo Island fires of 2019-20.

The COVID-19 pandemic continued to interfere with training and development plans, however despite this our uptake for online training continued to grow. Pathways for enhanced incident management training were developed and provided to staff for consultation, with the aim to provide a depth in our capability and to provide skills and succession for our people.

Other ongoing programmes continued, with the conduct of community engagement to enhance community preparedness for bushfires, the support to the Republic of Kiribati's response capability development and building protection and other fire safety advice.

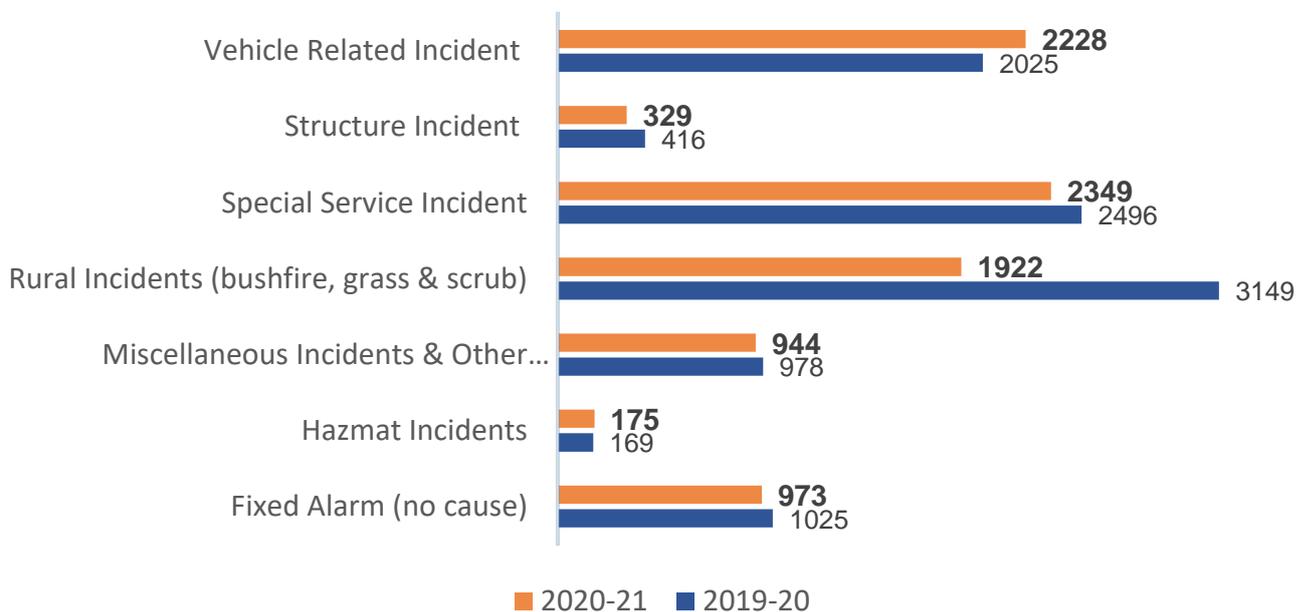
Having campaigned for safety improvements, SACFS actively engaged and continued to support the design and development of the new headquarters and the Automatic Vehicle Location technology (AVL) project, which will add significant advantages for both command purposes and the safety of our crews.

Despite continued funding challenges, SACFS continued to improve and develop, becoming ever more professional in both equipment, our business undertakings, and the way in which we deliver services. SACFS continued and will continue to seek better funding for our Service so that we can create a modern fleet with appropriate safety systems, suitable properties from which to operate and the very best safety equipment for our crews.

A major focus continues to be on providing our members with the appropriate equipment, facilities, and appliances to respond to incidences safely and effectively. Within our funding limits we continued to meet the requirements of our Fire Truck Safety Systems project, making a significant improvement to crew safety, and delivered specialised equipment, such as thermal imaging cameras to all our groups to improve their response and mop up activities.

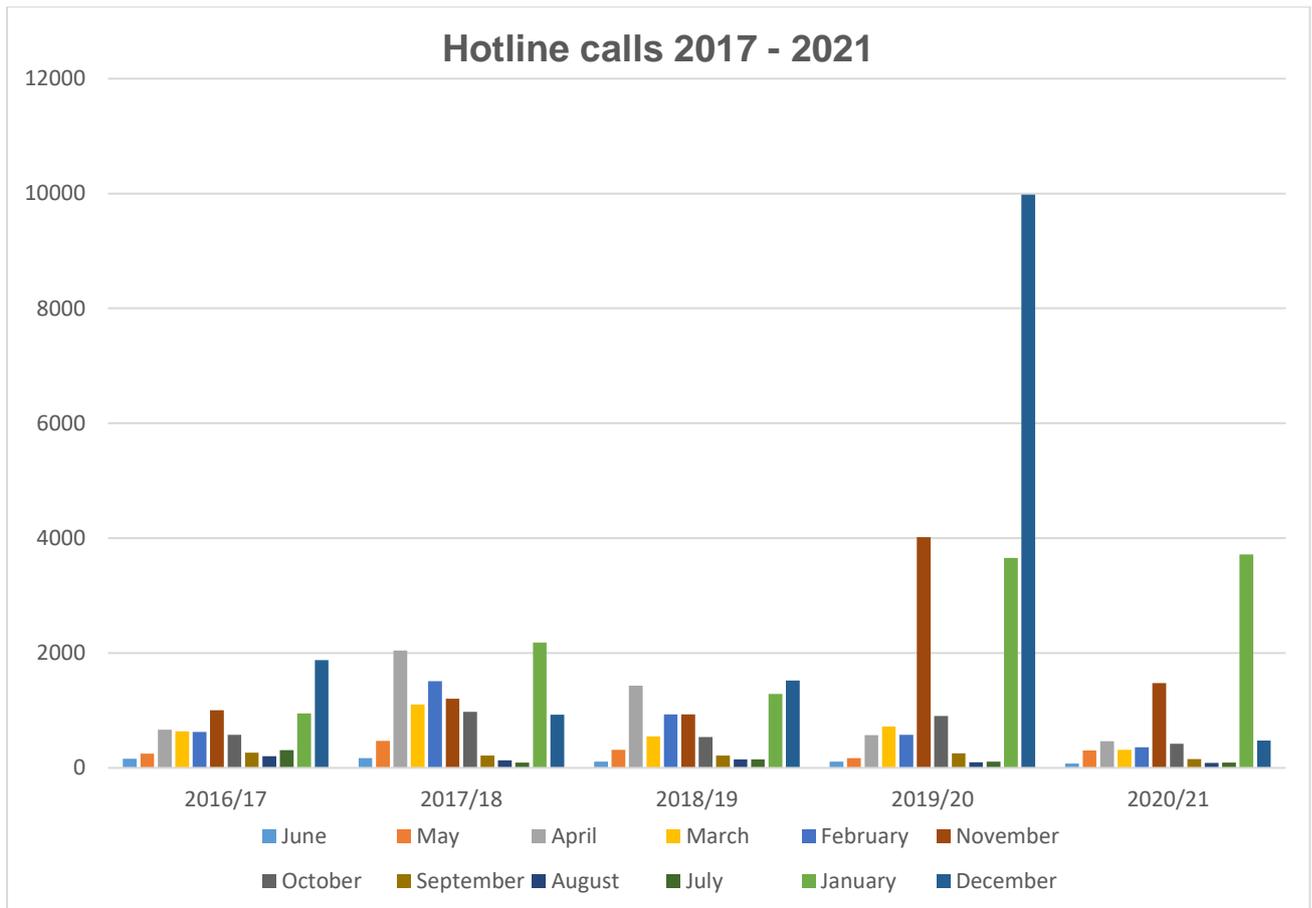
It is notable that the SACFS labours under a staff:volunteer ratio of a little over 11% - a remarkably low statistic given the challenges faced.

SACFS volunteers responded to 8,920 incidents during 2020-21



** Significant fires were experienced across the state during 2019-20 fire season (Duck Pond, Yorketown, Cudlee Creek, Kangaroo Island).

** Major fires during 2020-21 were Cherry Gardens and Blackford



Agency response to COVID-19

Operational Response

- The SACFS COVID-19 Taskforce was maintained throughout the year to provide central coordination of advice internally to all members, and for initiating and monitoring COVID-19 specific actions.
- Thirty-three updates were issued on behalf of the Chief Officer to all members at various stages of the emergency.
- Specific COVID-19 protocols were developed for SACFS aviation operations and Incident Management Teams for the fire danger season, and applies to staff, local and international crews. These protocols include creation of capability bubbles to provide redundancy, and specific hygiene rules for operating locations, catering, and rest and accommodation areas.
- The SACFS supported the development of national resource support plans, specifically for the COVID-19 environment. Each year nationally, fire agencies prepare to provide interstate support as required.
- The SACFS Taskforce continued to work collaboratively with SAAS, SA Health, SAPOL, SASES and SAMFS to share intelligence and develop joint operational work practices.
- The SACFS undertook an initial review of its Business Continuity Plan to ensure impacts to service delivery as a result of COVID-19 were addressed.

Incident Management

- The development of remote working strategies for Incident Management Teams operations commenced and business continuity strategies have been reconfirmed.
- Incident Control Centres (Level 2 and 3) that can achieve physical distancing were identified for use for the 2020-21 fire danger season. A Best Practice Guide was prepared to support their use to ensure COVID-19 protocols were achieved.
- The SACFS continued to support the State Emergency Management team in SA Health.

Logistics

- The SACFS increased its stock holdings of essential consumables and equipment, including respiratory masks, surgical masks, disposable coveralls, nitrile gloves, disinfectant concentrate, and hand sanitisers.

Personnel Welfare

- The SACFS complied with directions from the Commissioner of Public Sector Employment and SA Health, in relation to member safety during the COVID-19 emergency.
- Enhanced hygiene protocols were implemented and maintained for SACFS workplaces in line with SA Health and Public Sector directions.
- Mental health and wellbeing strategies were implemented at government, sector, and agency levels. SAFECOM Welfare, and all SACFS leaders continued to monitor and report on personnel welfare. Sector specific communications in relation to mental health and wellbeing were distributed to all members.

Agency contribution to whole of Government objectives

Key objective	Agency's contribution
More jobs	<ul style="list-style-type: none"> • Nine dedicated regional appointments were made to directly support volunteers in the delivery of emergency response services to the community. • Appointment of an Asset Manager dedicated to the implementation of the Strategic Asset Management Framework, Strategic Asset planning and delivery of a Fleet/Asset Management system. • An additional three full time equivalent (FTE) were appointed to support the South Australian implementation of the new Australian Fire Danger Rating system and better inform the community during extreme fire weather. • The SACFS casual administrative pool added access to approximately 35 people from its administrative resource pool supporting SACFS, SA Health and the Emergency Services sector. • An additional four FTE were appointed for the establishment of the State Bushfire Management Planning and Compliance Unit.
Lower costs	<ul style="list-style-type: none"> • The SACFS contractor procurement aligns with government protocols to achieve best value for money. • SACFS conducted an internal review of communications services to evaluate potential reduction in cost of goods and services.
Better Services	<ul style="list-style-type: none"> • The SACFS continued to provide significant response and incident management services to the State of South Australia during times of major crisis, as experienced in the COVID-19 and Fruit Fly response. • The SACFS proactively engaged in the planning, design, and transition to the new Emergency Services State Headquarters. • Initial changes to the SACFS warnings and warning messages occurred, as a step closer to an all-hazard Australian Warning System. • Provision of thermal imaging cameras for all SACFS Groups across the state to improve operational capability through accelerated mop-up and rapid identification of problem areas at incidences.

Agency specific objectives and performance

Agency objectives	Indicators	Performance
Australian Fire Danger Ratings System (AFDRS) project	The AFDRS jurisdictional implementation project will commence.	Having been influential in the system's development, the SACFS have established an AFDRS implementation team, jurisdictional multi-agency steering committee and have commenced stakeholder engagement in preparation for the 2022-23 national implementation.
Australian Warning System (AWS) public warning framework delivery	The AWS public warning framework is proposed for implementation for the 2021-22 fire danger season.	Phase 1 of the AWS was implemented in December 2020 with work underway to implement the full AWS system in December 2021.
State Bushfire Management Plan	Development of the State Bushfire Management Plan 2021-25.	Following extensive consultation, the State Bushfire Management Plan 2021-25 was completed, approved and released in 2021. The State Bushfire Coordination Committee to commence implementation in 2021-22 of the actions over its four-year life.
State Bushfire Coordination Committee Review (SBCC)	Review whole of government requirements for the SBCC, including membership nomination and appointment.	Review completed and nominations for membership were conducted, and compliant appointments confirmed.
Risk and Capability Framework	The revised Risk and Capability Framework focuses on the use of a risk-based approach to determine the optimum and minimum capability needs of SACFS groups and brigades.	The Risk and Capability Framework was implemented and drives the capability and appropriate responses for SACFS. The 12 capability streams aligned to the Operational Doctrine are in development, remaining steams to be progressively released with operational doctrine.

Agency objectives	Indicators	Performance
<p>Implement new national requirements for the Public Safety Training Package</p>	<p>Registered Training Organisations such as the SACFS are required to update all nationally accredited training materials and transition to the new units and qualifications by 30th June 2022. An extension of 12 months was gained due to COVID-19 implications in meeting the 2021 due date.</p>	<p>All Nationally Accredited Training materials delivered by SACFS are programmed to be updated by the due date. Additional resources have been engaged to undertake desktop publishing to ensure high quality, current training materials are presented to all personnel undertaking SACFS training.</p>
<p>Capital planning and delivery</p>	<p>Facility planning design, procurement and construction aligns to the Facilities Capital priorities for SACFS in the year and are projected for forward estimates.</p> <p>Heavy appliance planning, procurement and delivery aligned to the heavy appliance capital priorities, including removal of single cab appliances from the fleet, for SACFS in 2020-21 and are projected for forwards estimates.</p> <p>Initial works commenced on the delivery of capital asset plans across the SACFS asset portfolio, driven by the risk and capability framework and aligned to the capital budget allocation.</p>	<p>Eight new operational facilities were completed, despite the complications of COVID-19 restrictions and lockdowns, as funded through the SACFS Capital Program.</p> <p>85 new vehicles were procured and in various stages of delivery of build. 65 were actioned for refurbishment.</p> <p>Annual and forward planning for the SACFS portfolio of assets commenced aligned to the risk and capability framework, due to commence implementation in the 2022-23 capital program.</p>

Agency objectives	Indicators	Performance
Fire truck safety systems retrofit	Retrofit of Heavy Tankers for cabin deluge, in-cab breathing system and other safety upgrades.	55 trucks were refitted. Work is underway to commence the In-Cab pump start controls for the final 12 months of the project.
Heavy Vehicle Chain of Responsibility legislative change implementation (CoR)	Progress continues for the alignment of SACFS activities to the CoR requirements.	Regional Fleet Officers continue to support the operational fleet servicing and alignment of activities to the CoR programme.
SA Government Radio Network (SAGRN) radio replacement	Commence program of works to address the end-of-life span condition of the existing SAGRN mobile, fixed and portable radios, critical to the safety and effectiveness of our response to the community.	SACFS released an invitation to supply to the market for the replacement equipment. Roll out commenced and will continue as per the agreed installation schedule (over three years).

Corporate performance summary

Program name	Performance
SACFS Strategic Plan 2021-25	Development of the 2021-25 SACFS Strategic Plan in consultation with our members and our partners the CFSVA. Due for release in 2021.
Other response actions	<p>The SACFS continues to support the State response to the COVID-19 pandemic, both in terms of providing incident management capability to SA Health, but also other agency requirements for assistance, such as South Australian Ambulance Service (SAAS).</p> <p>The SACFS maintains a Business Continuity Taskforce, to ensure synchronisation with other sector agencies, and to maintain focus on the needed changes in work and response practices, including working from home requirements for staff and deployment considerations in the lead up to the 2021-22 fire danger season. Risk mitigation plans have been maintained during the emergency, including:</p> <ul style="list-style-type: none"> • Preplanning for cross-border movements • supply chain management, • cleaning protocols for both vehicles and facilities, • crew safety when responding, and • changes to training, and preseason preparations. <p>As requested by PIRSA, SACFS deployed incident management personnel to support their fruit fly response.</p>
Natural Disasters Royal Commission	The SACFS is actively participating in the Department of the Premier and Cabinet's (DPC) led Royal Commission Working Group and undertaking those actions assigned to the agency.
Review consolidation	The SACFS commenced working on the consolidation of various reviews, commissions, and internal audits recommendations, to enable prioritisation and allocation of actions within the remit of SACFS and to identify actions that require additional investment of resources to enable the outcomes to be achieved.
Fire and Emergency Services (Miscellaneous) Amendment Bill 2018 and supporting regulations	The Amendment Bill has been assented and the supporting regulations have been drafted. Workplace implications are being assessed by affected directorates.

Program name	Performance
<p>Pacific Islands Emergency Management Alliance – Federal Initiative</p>	<p>Under the twinning arrangement with the Kiribati Fire and Emergency Service, SACFS continues to provide training and resources to develop the Kiribati response capability.</p> <p>SACFS delivered several initiatives, including:</p> <ul style="list-style-type: none"> • parts supplied for fire truck maintenance programme to prolong the life of delivered trucks; • 18 sets of self-contained breathing apparatus (SCBA) provided to increase structural firefighting capability; • Provision of expert advice and support to the Kiribati Government on emergency management legislation and policy. • Review of training material used to roll out online training due to COVID-19. • Donation of a new boat to the Kiribati Police Maritime Unit.
<p>State Training Centre (STC)</p>	<p>Major redesign of parts of the STC at Brukunga were undertaken to achieve COVID-19 compliance, particularly in relation to on-site training and residential facilities. These standards have been maintained throughout the pandemic and will remain in place in the future.</p> <p>Upon notification of potential per- and poly-fluoroalkyl (PFAS) at the STC site, SACFS continued to work with testing laboratories and the Environment Protection Authority (EPA) to obtain a greater understanding and evidence of the extent and impact of the contamination.</p> <p>A per- and poly-fluoroalkyl substances (PFAS) filtration plant has been installed by SACFS and is meeting all filtration requirements for contaminated water from the Department for Energy and Mining water sources and the stored water supplies of the STC.</p>
<p>Development Assessment Services (DAS) - development control in bushfire prone areas.</p>	<p>During 2020-21 DAS processed 1086 residential and 541 commercial applications, a material increase over 2019-20. Of these, 95 per cent were completed within the legislative timeframes, a small number granted extensions by the planning authority and the remainder delayed due to limited resources.</p>
<p>Bushfire Safer Places (BSP) and Last Resort Refuges (LRR)</p>	<p>Nine amendments to BSP and LRR were reported for consideration by Bushfire Management Committees (BMC) in 2020-21. The Kangaroo Island and Murray Mallee BMC are reviewing all BSP and LRR within their committee area.</p> <p>A review of the policy and processes for the establishment, management, and amendment of BSP and LRR is set to be undertaken in 2021-22.</p>

Program name	Performance
Native Vegetation Clearance	SACFS made 60 native vegetation clearance decisions, with 85 per cent resolved within 10 business days. This is a significant increase, up from 23 native vegetation clearance decisions in the previous financial year. This large increase is attributed to increased property preparedness following the Cudlee Creek and Kangaroo Island fires.
Hospital and Residential Aged Care Fire Safety Inspections	50 triennial building fire safety inspections of commonwealth funded health facilities were conducted, to ensure that such sites remain compliant with Commonwealth funding arrangements. This was up from 16 the previous year due to increasing demands from the health industry for re-inspections, as well as a backlog of work from the initial COVID-19 lockdown.
Operational Doctrine – Tranche 3	Completion of the remaining six sections of operational doctrine is underway will full implementation due by December 2021.
Regional Headquarters relocation	<p>The SACFS commissioned the new Region 3 Headquarters in Murray Bridge and the new Region 4 Headquarters in Port Augusta.</p> <p>The Region 3 facility was officially opened by the Minister, Police Emergency Services and Corrections.</p> <p>Region 4 Headquarters official opening has been delayed due to the impact of COVID-19.</p> <p>Both facilities provide for significant improvement in professional working environment for emergency management – both internally and with partner agencies.</p>
Asset management planning	Work on the Strategic Asset Management Framework commenced, with several other asset management plans and initiatives under development. These will enhance forward planning, decision making for the allocation of limited capital resources, and provide an effective and quality assurance asset management environment.
SACFS Code of Conduct and Respectful Behaviours policy	Development, through active consultation, of the SACFS Code of Conduct and Respectful Behaviours policy. Due for implementation in 2021. These key policies outline the expectations on all members of the SACFS in the undertakings as SACFS members and to clearly articulate and share the SACFS core values to which all members should align to.

Program name	Performance
Breaking Barriers	The Breaking Barriers series includes topics on succession planning, recruitment, diversity and ageism, and progression to leadership. The programme was held over due to the agency response commitments and COVID-19 and will recommence in 2021-22.
HR eRecruitment System	The SACFS proactively engaged the Office of the Commissioner for Public Sector Employment (OCPSE) to progress with moving towards an electronic recruitment system, to enhance recruitment activities undertaken and improve turnaround time for request to fill a position to appointment and improve governance and effectively embed appropriate delegations and authorities.

Employment opportunity programs

Program name	Performance
Skilling SA Government Apprenticeship and Traineeship	<p>The programme links to the Skilling South Australia initiative and policy to help more people to obtain qualifications to build lasting careers and meet the needs of industry.</p> <p>Each year, SACFS attracts new volunteers and provides them with the training, education and skills required to provide emergency response services to the community, while building life skills and qualifications.</p> <p>SACFS also supports its Youth Advisory Council (YAC) whereby young volunteers can develop enduring skills such as leadership, while providing advice on optimising our business from a youth perspective.</p>
Fire Truck Safety Systems (Regional employment program)	This project relies on the regional businesses to support the retrofit of safety systems to many dual cab appliances in the SACFS heavy fleet and includes other repair work identified being undertaken.
SACFS Casual Admin Pool	SACFS casual administrative pool recruited approximately 35 staff members within the year, to directly support SACFS with continuity of service delivery to the community. The pool also supported SA Health, State Emergency Services and SAFECOM in project work and ad hoc administrative work demands.

Agency performance management and development systems

Performance management and development system	Performance
Personnel professional development	<p>COVID-19 has caused impacts on a number of proposed courses (internal and external), both in terms of delivery and attendance, severely curtailing opportunities for staff and members.</p> <p>SACFS shifted its focus to the delivery of online training for all personnel, with a significant uptake by agency personnel, particularly volunteers.</p>
Incident management training (over two years)	<p>Level 3 Incident Controller pathway reviewed and endorsed.</p> <p>Responsibility of Incident Management Team (IMT) training program transferred to Operational Training and Professional Development, to be seen as a key training deliverable for SACFS.</p>
Disability Access and Inclusion Plan in accordance with the <i>Disability Inclusion Act 2018</i>	<p>The SACFS is working collaboratively with SAFECOM in the development of the Emergency Services Sector Disability Access and Inclusion Plan.</p>
Diversity and Inclusion Plan (DAIP)	<p>The SACFS continues to undertake specific actions within the agency to align to the SA Government DAIP.</p> <p>Specific conditions for all staff role descriptions continue to be updated to reflect the SACFS commitment to promoting diversity and inclusion within its workforce.</p>
I work for SA Survey	<p>The SACFS encouraged staff members to have a say in the I Work for SA Survey. SACFS committed to reviewing the feedback and undertaking actions for improvement were identified as a need.</p>

Health and Wellbeing programs 2020-21

Program name	Performance
<p>Sector Wellbeing Intervention Program incorporating: Employee Assistance Program (EAP) for volunteers and staff, including Critical Incident Response for volunteers.</p>	<p>Since August 2020 SAFECOM has contracted with a panel of four external providers to deliver the EAP for staff, volunteers and their families, and the Critical Incident Stress response for volunteers following a potentially traumatic event.</p> <p>During 2020-21 126 new referrals were processed for SACFS staff and volunteers, and 52 Critical Incident Stress group sessions were delivered.</p>
<p>Mental Health First Aid Training (MHFA)</p>	<p>MHFA training has been re-instated with the employment of the Health and Wellbeing Officer who commenced with SAFECOM in January 2021.</p> <p>A delivery plan was introduced, aiming to deliver a total of four workshops each calendar year across the sector.</p>
<p>Volunteer Peer Support Program</p>	<p>The SAFECOM Volunteer Peer Support Program continued to recruit volunteers who will be inducted into the program. SACFS had 13 volunteers as Peer Support Officers during 2020-21. Training continued to be delivered and recruitment and retention of peers remains as a high priority.</p> <p>During the 2020-21 fire season, the Peer Support Officers were put on stand-by to be deployed to the Staging Area of a fire to offer psychological first aid to firefighters and the Incident Management Team.</p> <p>Peers provided telephone welfare checks to volunteers during the last fire season.</p>
<p>Major Campaign Deployment and follow up welfare check of volunteers and staff</p>	<p>The Peer Support Team were active in supporting the Critical Incident Stress Group sessions with Mental Health Professionals and with telephone follow up calls during the fire season.</p>
<p>Staff welfare checks and counselling support</p>	<p>Staff welfare checks and counselling support continued pre and post fire season for all SACFS staff.</p>
<p>Stress, Trauma and Suicide Prevention session for volunteers</p>	<p>A 90-minute interactive education session was developed for volunteers and partners, delivered by the Health and Wellbeing Consultant and experienced Peer Support Officers on volunteer training nights. Sessions include discussion on suicide prevention.</p> <p>During 2020-21, twelve sessions were delivered to SACFS volunteers across the state.</p>

Program name	Performance
Stress Prevention and Management (SPAM) 24/7 rostered helpline for volunteers and staff	The SPAM helpline received in excess of 400 calls during 2020-21 and had four facilitators rostered on-call, one week in every month. The facilitators are managing the calls in combination with their usual employment.
Development of online information and links to other services	Mental Health information, resources and a mental health directory was continually updated online, during the fire season and during the COVID-19 restrictions.

Work health, safety and return to work programs

Workplace injury claims	Current year 2020-21	Past year 2019-20	% Change (+ / -)
Total new workplace injury claims	43	66	-34.84
Fatalities	0	1#	n/a
Seriously injured workers*	0	0	n/a
Significant injuries (where lost time exceeds a working week, expressed as frequency rate per 1000 FTE)	30.3	37.97	-20.20

*number of claimants assessed during the reporting period as having a whole person impairment of 30% or more under the Return to Work Act 2014 (Part 2 Division 5)

#death as result of cancer.

Work health and safety regulations	Current year 2020-21	Past year 2019-20	% Change (+ / -)
Number of notifiable incidents (<i>Work Health and Safety Act 2012, Part 3</i>)	3	3	0%
Number of provisional improvement, improvement and prohibition notices (<i>Work Health and Safety Act 2012 Sections 90, 191 and 195</i>)	3	3	0%

Return to work costs**	Current year 2020-21	Past year 2019-20	% Change (+ / -)
Total gross workers compensation expenditure (\$)	- \$1,551,681.01	- \$1,168,931.58	- 32.7
Income support payments – gross (\$)	- \$330,898.22	- \$352,395.46	- 6.10

**before third party recovery*

Data for previous years is available at: the SACFS webpage at Data SA. Data for previous years is available at: [Dataset - data.sa.gov.au](https://data.sa.gov.au)

Executive employment in the agency

Executive classification	Number of executives
EXEEOA	1
EXECOB	1
EXECOC	1

Data for previous years is available at: [Dataset - data.sa.gov.au](https://data.sa.gov.au)

The [Office of the Commissioner for Public Sector Employment](#) has a [workforce information](#) page that provides further information on the breakdown of executive gender, salary and tenure by agency.

Financial performance

Financial performance at a glance

The following is a brief summary of the overall financial position of the agency. The information is unaudited. Full audited financial statements for 2020-2021 are attached to this report.

Statement of Comprehensive Income	2020-21 Budget \$000s	2020-21 Actual \$000s	Variation \$000s	2019-20 Actual \$000s
Total Income	96 919	94 192	2 727	125 839 ¹
Total Expenses	88 519	93 650	5 131	102 768 ¹
Net Result	8 400	542	7 858	23 071

¹ Total income and expenditure for the SACFS were higher in 2019-20 due to additional funding from the Community Emergency Services Fund for extraordinary bushfire response costs.

Statement of Financial Position	2020-21 Budget \$000s	2020-21 Actual \$000s	Variation \$000s	2019-20 Actual \$000s
Current assets	34 132	33 514	(618)	37 014
Non-current assets	226 666	222 106	(4 560)	208 055
Total assets	260 798	255 620	(5 178)	245 069
Current liabilities	12 572	17 227	(4 655)	11 615
Non-current liabilities	26 160	24 185	1 975	19 788
Total liabilities	38 732	41 412	(2 680)	31 403
Net assets	222 066	214 208	(7 858)	213 666

Consultants disclosure

The following is a summary of external consultants that have been engaged by the agency, the nature of work undertaken, and the actual payments made for the work undertaken during the financial year.

Consultancies with a contract value below \$10,000 each

Consultancies	Purpose	\$ Actual payment
Nil	N/A	N/A

Consultancies with a contract value above \$10,000 each

Consultancies	Purpose	\$ Actual payment
GHD P/L	PFAS contamination testing	474,255
Remediation and Contracting Services Pty Ltd	PFAS testing and decontamination	49,000
C3 Resilience	Kangaroo Island fires debrief	35,000
FYFE Pty Ltd	Site contamination audit	22,350
Symbiosis Australia Pty Ltd	PFAS contamination sampling and testing	19,915
AJL Solutions	Facilitation of Operational Reviews	14,055
	Total	614,575

Data for previous years is available at the [SACFS Financial Summaries - data.sa.gov.au](https://data.sa.gov.au)

See also the [Consolidated Financial Report of the Department of Treasury and Finance](#) for total value of consultancy contracts across the South Australian Public Sector.

Contractors disclosure

The following is a summary of external contractors that have been engaged by the agency, the nature of work undertaken, and the actual payments made for work undertaken during the financial year.

Contractors with a contract value below \$10,000

Contractors	Purpose	\$ Actual payment
Combined	Various	71 494

Contractors with a contract value above \$10,000 each

Contractors	Purpose	\$ Actual payment
AFAC Limited	Specialist aircrew	382,787
Bureau of Meteorology	Fire Weather Briefing & Support Services	198,694
Emerg Group Pty Ltd	Development of SA State Bushfire Management Plan (on behalf of the State Bushfire Coordination Committee)	102,782
Protexion Consulting Pty Ltd	Air Operations Activity for Fire Danger Season	83,416
NTT Australia	System Support	79,909
Phil Richards	Air Attack Supervisor for the Fire Danger Season	51,636
Membrane Australia Systems	Installation of connection points for the PFAS remediation plant	44,938

Health Environment	Safety	Asbestos re-inspection program	39,886
Metrix Consulting Pty Ltd		National Fire Danger Rating System evaluation	36,607
James Blackmore		Air Attack Supervisor for the Fire Danger Season	31,239

Anangu Pitjantjatjara Yankunytjatjara	Anthropological Services - Community Firebreaks Proposal	31,073
T & J Jenkin Pty Ltd	Air Operation support	27,793
Neil Ackland	Air Operations	22,494
Geoff Smith	Provision of support to groups and brigades for the implementation of the Local Financial Reporting System	16,025
Construction Industry Training Centre	New Appliance Driver Familiarisation	15,405
	Total	1,164,683

Data for previous years is available at the [SACFS webpage at Data SA](#).

The details of South Australian Government-awarded contracts for goods, services, and works are displayed on the SA Tenders and Contracts website. [View the agency list of contracts](#).

The website also provides details of [across government contracts](#).

Risk management

Risk and audit at a glance

SACFS participates in the SAFECOM Risk and Performance Committee pursuant to section 19(1) of the *Fire and Emergency Services Act 2005* and provides independent assurance and assistance to the SAFECOM Board on the Emergency Sector's risk, control and compliance framework and its external accountability responsibilities.

Fraud detected in the agency

Category/nature of fraud	Number of instances
Type of fraud	0

NB: Fraud reported includes actual and reasonably suspected incidents of fraud.

Strategies implemented to control and prevent fraud

- The SACFS maintains a governance structure and internal controls that are designed to prevent and minimise the impact of fraud including:
- Ensuring policies, procedures and systems are in place to prevent, detect and report on fraud and dishonesty.
- Maintaining an asset register and stocktakes this register on a regular basis.
- Undertaking an independent audit of credit card transactions annually of all staff and a percentage of randomly selected volunteers.
- Conducting a Volunteer annual returns process.
- Receipt of an unqualified audit report for this financial year.

Data for previous years is available at: [Dataset - data.sa.gov.au](https://data.sa.gov.au)

Public interest disclosure

Number of occasions on which public interest information has been disclosed to a responsible officer of the agency under the *Public Interest Disclosure Act 2018*:

Number of instances	Nil
---------------------	-----

Data for previous years is available at: [Dataset - data.sa.gov.au](https://data.sa.gov.au)

Note: Disclosure of public interest information was previously reported under the *Whistleblowers Protection Act 1993* and repealed by the *Public Interest Disclosure Act 2018* on 1/7/2019.

Reporting required under any other act or regulation

Act or Regulation	Requirement
Nil	

Reporting required under the *Carers' Recognition Act 2005*

N/A

Public complaints

Number of public complaints reported

Complaint categories	Sub-categories	Example	Number of Complaints
Professional behaviour	Staff competency	Failure to action service request; poorly informed decisions; incorrect or incomplete service provided	1
Service delivery	Access to services	Service difficult to find; location poor; facilities/ environment poor standard; not accessible to customers with disabilities	1
Policy	Policy content	Policy content difficult to understand; policy unreasonable or disadvantages customer	1
Service quality	Access to information	Information difficult to understand, hard to find or difficult to use; not plain English	1
Service quality	Safety	Maintenance; personal or family safety; duty of care not shown; poor security service/ premises; poor cleanliness	1
		Total	5

Additional Metrics	Total
Number of positive feedback comments	
Number of negative feedback comments	
Total number of feedback comments	
% complaints resolved within policy timeframes	100%

Service Improvements

<p>Implementation of Standard Administrative Procedures for:</p> <ul style="list-style-type: none"> • Code of Conduct • Respectful Behaviours • Recruitment principles • WHS – Smoke Free Workplace • Operator Assisted Messaging Service • Prevention Document Naming Conventions <p>Development of Standard Administrative Procedures for:</p> <ul style="list-style-type: none"> • Progressive Discipline • WHS – Health and Safety Representative Nomination, Election and Training • Professional Development • Overseas Travel • Brigade or Group funded vehicles • Insurance • Performance Development Planning and Review • Facilities Renew Program
--

Compliance Statement

SACFS is compliant with Premier and Cabinet Circular 039 – complaint management in the South Australian public sector	N
SACFS has communicated the content of PC 039 and the agency's related complaints policies and procedures to employees.	N

Appendix: Audited financial statements 2020-21

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Government of South Australia

Auditor-General's Department

Our ref: A21/048

24 September 2021

Mr Mark Jones
Chief Officer
South Australian Country Fire Service
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ADELAIDE SA 5000

Level 9
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Dear Mr Jones

Audit of South Australian Country Fire Service for the year to 30 June 2021

We have completed the audit of your accounts for the year ended 30 June 2021. Two key outcomes from the audit are the:

- 1 Independent Auditor's Report on your agency's financial report
- 2 An audit management letter recommending you address identified weaknesses.

1 Independent Auditor's Report

We are returning the financial statements for South Australian Country Fire Service, with the Independent Auditor's Report. This report is unmodified.

The *Public Finance and Audit Act 1987* allows me to publish documents on the Auditor-General's Department website. The enclosed Independent Auditor's Report and accompanying financial statements will be published on that website on Tuesday, 12 October 2021.

2 Audit management letter

During the year, we sent an audit management letter to the South Australian Fire and Emergency Services Commission Chief Executive and provided you a copy detailing the weaknesses we noted within the sector, highlighting agencies affected and improvements we considered that needed to be made.

Significant matters related to identified asset management deficiencies, the absence of required information technology strategic and risk management plans, a lack of retained

1

OFFICIAL

evidence to support the completion of works/receipt of goods prior to payment, and bona fide certificates and leave returns not being reviewed promptly.

We have received a response to our letter and will follow these up as part of the 2021-22 audit.

I have also included summary comments about these matters in my annual report.

What the audit covered

Our audits meet statutory audit responsibilities under the *Public Finance and Audit Act 1987* and the Australian Auditing Standards.

Our audit covered the principal areas of the agency's financial operations and included test reviews of systems, processes, internal controls and financial transactions. Some notable areas were:

- governance, planning and reporting
- risk management
- legal compliance (including legislative changes)
- financial accounting and journals
- revenue
- supplies and services expenditure
- employee benefits expenditure, including workers' compensation
- cash, including deposit accounts, brigades/unit bank accounts, and station petty cash
- capital works in progress
- other non-current assets
- asset management
- administered activities.

Particular attention was given to workers compensation provisions and supporting actuarial assessments as at 30 June 2021. We concluded that the financial report was prepared in accordance with the financial reporting framework in this respect.

I would like to thank the staff and management of your agency for their assistance during this year's audit.

Yours sincerely



Andrew Richardson
Auditor-General

enc

INDEPENDENT AUDITOR'S REPORT



Government of South Australia
Auditor-General's Department

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**To the Chief Officer
South Australian Country Fire Service**

Opinion

I have audited the financial report of the South Australian Country Fire Service for the financial year ended 30 June 2021.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the South Australian Country Fire Service as at 30 June 2021, its financial performance and its cash flows for the year then ended in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2021
- a Statement of Financial Position as at 30 June 2021
- a Statement of Changes in Equity for the year ended 30 June 2021
- a Statement of Cash Flows for the year ended 30 June 2021
- notes, comprising significant accounting policies and other explanatory information
- a Certificate from the Chief Officer and the Business Manager.

Basis for opinion

I conducted the audit in accordance with the *Public Finance and Audit Act 1987* and Australian Auditing Standards. My responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial report' section of my report. I am independent of the South Australian Country Fire Service. The *Public Finance and Audit Act 1987* establishes the independence of the Auditor-General. In conducting the audit, the relevant ethical requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* have been met.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the Chief Officer for the financial report

The Chief Officer is responsible for the preparation of the financial report that gives a true and fair view in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and the Australian Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Chief Officer is responsible for assessing the entity's ability to continue as a going concern, taking into account any policy or funding decisions the government has made which affect the continued existence of the entity. The Chief Officer is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the assessment indicates that it is not appropriate.

Auditor's responsibilities for the audit of the financial report

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987* and section 100(2) of the *Fire and Emergency Services Act 2005*, I have audited the financial report of the South Australian Country Fire Service for the financial year ended 30 June 2021.

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

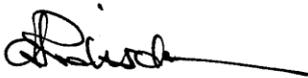
As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the South Australian Country Fire Service's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Chief Officer

- conclude on the appropriateness of the Chief Officer's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify the opinion. My conclusion is based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

My report refers only to the financial report described above and does not provide assurance over the integrity of electronic publication by the entity on any website nor does it provide an opinion on other information which may have been hyperlinked to/from the report.

I communicate with the Chief Officer about, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during the audit.



Andrew Richardson
Auditor-General
24 September 2021

South Australian Country Fire Service

Financial Statements

For the year ended 30 June 2021

**South Australian Country Fire Service
Certification of the Financial Statements**

We certify that the:

- financial statements for the South Australian Country Fire Service:
 - are in accordance with the accounts and records of the South Australian Country Fire Service;
 - comply with relevant Treasurer's Instructions;
 - comply with relevant accounting standards; and
 - present a true and fair view of the financial position of the South Australian Country Fire Service at the end of the financial year and the results of its operations and cash flows for the financial year.
- internal controls employed by the South Australian Country Fire Service for the financial year over its financial reporting and its preparation of the financial statements have been effective.



Mark Jones, QFSM
Chief Officer
South Australian Country Fire Service
17 September 2021



Paul Viojan
Business Manager
South Australian Country Fire Service
17 September 2021

South Australian Country Fire Service
Statement of Comprehensive Income
for the year ended 30 June 2021

	Note	2021	2020
		\$'000	\$'000
Income			
Contributions from the Community Emergency Services Fund	2.1	88 174	113 145
Grants and contributions	2.2	2 545	5 069
SA Government grants, subsidies and transfers	2.3	1 588	2 638
Fees and charges	2.4	1 038	2 697
Interest		9	48
Other income	2.5	838	2 242
Total income		94 192	125 839
Expenses			
Supplies and services	4.1	58 752	72 753
Employee benefits	3.3	18 755	15 361
Depreciation and amortisation	4.2	14 697	13 602
Grants and subsidies		657	986
Borrowing costs		154	62
Net gain/(loss) from disposal of property plant and equipment	4.3	325	4
Other expenses	4.4	310	-
Total expenses		93 650	102 768
Net result		542	23 071
Other comprehensive income			
<i>Items that will not be reclassified to net result</i>			
Changes to asset revaluation surplus		-	18 316
Total other comprehensive income		-	18 316
Total comprehensive result		542	41 387

The accompanying notes form part of these financial statements. The net result and total comprehensive result are attributable to the SA Government as owner.

South Australian Country Fire Service
Statement of Financial Position
as at 30 June 2021

	Note	2021 \$'000	2020 \$'000
Current assets			
Cash and cash equivalents	6.1	26 932	26 080
Receivables	6.2	4 232	8 137
Other financial assets	6.3	1 850	2 055
Non-current assets classified as held for sale	6.4	500	742
Total current assets		33 514	37 014
Non-current assets			
Property, plant and equipment	5.1	222 022	207 886
Intangible assets	5.4	84	169
Total non-current assets		222 106	208 055
Total assets		255 620	245 069
Current liabilities			
Payables	7.1	11 064	5 408
Financial liabilities	7.2	1 597	1 199
Employee benefits	3.4	3 257	3 024
Provisions	7.3	1 309	1 984
Total current liabilities		17 227	11 615
Non-current liabilities			
Payables	7.1	381	370
Financial liabilities	7.2	9 511	2 118
Employee benefits	3.4	3 951	3 893
Provisions	7.3	10 342	13 407
Total non-current liabilities		24 185	19 788
Total liabilities		41 412	31 403
Net assets		214 208	213 666
Equity			
Asset revaluation surplus	8.1	64 019	64 019
Retained earnings	8.1	150 189	149 647
Total equity		214 208	213 666

The accompanying notes form part of these financial statements. The total equity is attributable to the SA Government as owner.

South Australian Country Fire Service
Statement of Changes in Equity
for the year ended 30 June 2021

		Asset revaluation surplus	Retained earnings	Total equity
	Note	\$'000	\$'000	\$'000
Balance at 1 July 2019		45 703	126 576	172 279
Net result for 2019-20		-	23 071	23 071
Gain on revaluation of land and buildings during 2019-20		7 001	-	7 001
Gain on revaluation of vehicles during 2019-20		9 226	-	9 226
Gain on revaluation of plant and equipment during 2019-20		2 089	-	2 089
Total comprehensive result for 2019-20		18 316	23 071	41 387
Balance at 30 June 2020		64 019	149 647	213 666
Net result for 2020-21		-	542	542
Total comprehensive result for 2020-21		-	542	542
Balance at 30 June 2021	8.1	64 019	150 189	214 208

The accompanying notes form part of these financial statements. All changes in equity is attributable to the SA Government as owner.

South Australian Country Fire Service
Statement of Cash Flows
for the year ended 30 June 2021

	Note	2021 \$'000	2020 \$'000
Cash flows from operating activities			
Cash inflows			
Contributions from the Community Emergency Services Fund		88 174	113 145
SA Government grants, subsidies and transfers		6 419	2 587
Fees and charges		1 038	4 269
Receipts from grants and contributions		2 545	34
Interest received		9	48
GST recovered from the Australian Taxation Office		6 954	8 913
Receipts for paid Parental Leave Scheme		11	38
Other receipts		1 474	2 178
Cash generated from operations		106 624	131 212
Cash outflows			
Employee benefits payments		(23 270)	(21 283)
Supplies and services payments		(66 727)	(85 663)
Grants and subsidies payments		(657)	(756)
Payments for paid Parental Leave Scheme		-	(38)
Interest paid		(154)	(62)
Cash used in operations		(90 808)	(107 802)
Net cash provided by operating activities	8.2	15 816	23 410
Cash flows from investing activities			
Cash inflows			
Proceeds from the sale of property, plant and equipment		741	501
Proceeds from the sale of investments		205	123
Cash generated from investing activities		946	624
Cash outflows			
Purchase of property, plant and equipment		(14 484)	(18 501)
Payments for disposal of property		(52)	(5)
Cash used in investing activities		(14 536)	(18 506)
Net cash used in investing activities		(13 590)	(17 882)
Cash flows from financing activities			
Cash outflows			
Repayment of principal portion of lease liabilities		(1 374)	(1 259)
Cash used by financing activities		(1 374)	(1 259)
Net cash provided by financing activities		(1 374)	(1 259)
Net increase in cash and cash equivalents		852	4 269
Cash and cash equivalents at the beginning of the period		26 080	21 811
Cash and cash equivalents at the end of the period	6.1	26 932	26 080

The above statement should be read in conjunction with the accompanying notes.

South Australian Country Fire Service
Notes to and forming part of the financial statements
For the year ended 30 June 2021

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South Australian Country Fire Service
Notes to and forming part of the financial statements
For the year ended 30 June 2021

1. About the South Australian Country Fire Service

Under the *Fire and Emergency Services Act 2005* (the Act), the South Australian Country Fire Service (CFS) is a not for profit body corporate, an agency of the Crown and part of the consolidated emergency services sector.

The financial statements include all the controlled activities of CFS.

1.1. Basis of preparation

The financial statements are general purpose financial statements prepared in compliance with:

- section 23 of the *Public Finance and Audit Act 1987*;
- Treasurer's Instructions and Accounting Policy Statements issued by the Treasurer under the *Public Finance and Audit Act 1987*; and
- relevant Accounting Standards.

The financial statements are prepared based on a 12-month reporting period and presented in Australian currency. The historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured.

Assets and liabilities that are to be sold, consumed or realised as part of the normal operating cycle have been classified as current assets or current liabilities. All other assets and liabilities are classified as non-current. CFS is not subject to Income Tax. CFS is liable for Payroll Tax, Fringe Benefits Tax (FBT) and Goods and Services Tax (GST).

Income, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods or services is not recoverable from the Australian Taxation Office, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item applicable; and
- receivables and payables, which are stated with the amount of GST included.

Significant accounting policies are set out throughout these notes.

1.2. Objectives and programs

Objectives

The CFS is a volunteer based, not-for-profit body corporate established under the Act and is responsible under the Act for the following functions:

- to provide frontline services with the aim of preventing the outbreak of fires, reducing the impact of fires and preparing communities through comprehensive community engagement programs
- to provide efficient and responsive frontline services for the purpose of fighting fires, dealing with other emergencies or undertaking any rescue
- to protect life, property and environmental assets from fire and other emergencies
- to develop and maintain plans to cope with the effects of fires and other emergencies
- to provide services or support to assist with recovery in the event of a fire or other emergency

Funding of CFS is primarily derived from the Community Emergency Services Fund (the Fund), in accordance with the *Emergency Services Funding Act 1998*.

Funds generated by Groups and Brigades through fundraising activities are held locally for expenditure on CFS activities in the local community. These funds are recognised in CFS's financial statements.

Programs

In achieving its objectives, CFS provides services within two areas of activity: frontline service delivery and frontline service delivery support. These services are classified under one program titled 'Country Fire Service'. These services are predominantly delivered by volunteers.

South Australian Country Fire Service
Notes to and forming part of the financial statements
For the year ended 30 June 2021

1.3. Impact of COVID-19 pandemic on the CFS

The COVID-19 pandemic has impacted on the operations of the agency and the impacts are included under the relevant disclosure notes. The key impacts in 2020-21 were:

- Additional expenditure of \$47 000 to keep CFS personnel and volunteers safe while maintaining service delivery to the community.
- Additional expenditure of \$103 000 to support the South Australian response to the COVID-19 pandemic through deployment of CFS personnel to the SA Health Emergency Management Team.
- Reduced capital expenditure and delays in the delivery of capital and ICT programs due to supplier business restrictions and demand.

The Emergency Services Sector has considered the possible impact of the COVID-19 pandemic on property, plant and equipment valuations and has concluded that there is no observable evidence of what that impact would be at this stage.

1.4. Budget performance

The budget performance table compares CFS's outcomes against budget information presented to Parliament (2020-21 Budget Paper 4). The budget amounts have not been adjusted to reflect revised budgets or administrative restructures. The budget process is not subject to audit.

	Note	Original budget 2021 \$'000	Actual 2021 \$'000	Variance \$'000
Statement of Comprehensive Income				
Income				
Contribution from the Community Emergency Services Fund				
Fund		88 788	88 174	(614)
Fees and charges		1 527	1 038	(489)
Grants and contributions		1 974	2 545	571
Interest		167	9	(158)
SA Government grants, subsidies and transfers		3 600	1 588	(2 012)
Other income		882	838	(44)
Total Income		96 938	94 192	(2 746)
Expenses				
Supplies and services	(a)	52 757	58 752	5 995
Employee benefits		22 214	18 755	(3 459)
Depreciation and amortisation		12 083	14 697	2 614
Grants and subsidies		674	657	(17)
Borrowing costs		195	154	(41)
Net loss from the disposal of non-current and other assets		19	325	306
Other expenses		596	310	(286)
Total Expenses		88 538	93 650	5 112
Net result		8 400	542	(7 858)
Total comprehensive result		8 400	542	(7 858)

South Australian Country Fire Service
Notes to and forming part of the financial statements
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1.4. Budget performance (continued)

Explanations are provided for variances where the variance exceeds the greater of 10% of the original budgeted amount and 5% of original budgeted total expenses.

- (a) Actual supplies and services were higher than the original budget predominantly due to extraordinary bushfire costs.

	Note	Original budget 2021 \$'000	Actual 2021 \$'000	Variance \$'000
Investing expenditure summary				
Total Annual Programs		20 162	20 567	(405)
Total investing expenditure		20 162	20 567	(405)

1.5. Significant transactions with government related entities

Significant transactions with the SA Government are identifiable throughout this financial report. In addition:

- Payment to the Attorney-General's Department for the government radio network of \$13.3 million
- Contributions from the Community Emergency Services Fund (refer note 2.1)

South Australian Country Fire Service
Notes to and forming part of the financial statements
For the year ended 30 June 2021

2. Income

2.1. Contributions from Community Emergency Services Fund

	2021	2020
	\$'000	\$'000
Community Emergency Services Fund	88 174	113 145
Total Contributions from the Community Emergency Services Fund	88 174	113 145

Contributions from the Fund are recognised as revenues when CFS obtains control over the funding. Control over contributions is normally obtained upon receipt.

2.2. Grants and contributions

	2021	2020
	\$'000	\$'000
Commonwealth Government	33	230
Private industry and local government	2 512	4 839
Total grants and contributions	2 545	5 069

Contributions are recognised as an asset and income when CFS obtains control of the contributions or obtains the right to receive the contributions and the income recognition criteria are met, this is generally on receipt.

Private industry revenues include contributions towards aerial firefighting costs through the National Aerial Firefighting Centre Ltd and Commonwealth Government revenue includes once-off project grants.

Contributions through the National Aerial Firefighting Centre Ltd can only be applied to aircraft leasing and positioning costs and must be matched by State Government funding on at least a dollar for dollar basis. Once-off project grants are subject to specific funding agreements.

2.3. SA Government grants, subsidies and transfers

	2021	2020
	\$'000	\$'000
Intra agency grants	-	34
Intra government transfers	1 400	2 504
COVID-19 Support - Health	103	17
Embed BOM Meteorologist	85	83
Total SA Government grants, subsidies and transfers	1 588	2 638

SA Government grants, subsidies and transfers are recognised as income on receipt.

South Australian Country Fire Service
Notes to and forming part of the financial statements
For the year ended 30 June 2021

2.4. Revenue from fees and charges

	2021	2020
	\$'000	\$'000
Fire alarm attendance fees	383	305
Fire alarm monitoring fees	275	260
Fire safety fees	267	164
Facilities hire fees	113	187
Incident cost recoveries	-	1 781
Total revenues from fees and charges	1 038	2 697

Revenue from fees and charges is recognised from contracts with customers.

Fees and charges revenue is recognised at a point in time when CFS satisfies performance obligations by transferring the promised goods or services to its customers.

CFS recognises revenue from contracts with customers from the following major sources:

Fire alarm attendance and fire safety fees

CFS provide a range of fire alarm attendance and fire safety services to customers and charge prescribed fees for these services as regulated under the *Fire and Emergency Services Act 2005*. CFS recognise revenue for these services in arrears once the relevant deliverables have been provided to the customer in line with CFS' legislated responsibilities and internal policies.

CFS is a referral agency under the Planning, Development and Infrastructure Regulations 2017 and receive revenue from customers for undertaking development assessments in designated bushfire prone areas under the Planning and Design Code.

Payments for development assessments are received in advance upon referral of the development application to the CFS from the Attorney-General's Department or direct from the customer. CFS is required to undertake an assessment of the development and provide statutory advice to the relevant parties. Revenue is recognised in arrears once statutory advice has been provided.

Fire alarm monitoring fees

CFS undertake fire alarm monitoring services for customers and charge prescribed fees for these services as regulated under the *Fire and Emergency Services Act 2005*. Customers are charged an annual fee for this service and generally pay upfront in the first quarter of the financial year. CFS recognise revenue for monitoring services over the time services are provided, with all services delivered by 30 June at the end of the financial year.

Facilities hire fees

CFS receives revenue from the short term hire of the State Training Centre facilities at Brukunga from government and non-government customers. The terms of hire are outlined in a hire agreement that stipulate obligations regarding facilities, accommodation and catering to be provided. Customers are invoiced and payment is received in arrears once all performance obligations have been met.

Incident cost recoveries

CFS provide support to other jurisdictions that request it when an emergency incident occurs. The terms of deployment are managed in accordance with the Arrangement for Interstate Assistance Framework by the National Resource Sharing Centre under the Australian and New Zealand National Council for Fire and Emergency Services.

The inputs of the request are outlined in an operating plan and may include personnel, firefighting equipment and supplies, and consumables. Payment is made by the jurisdiction who received the assistance in arrears once performance obligations have been met and total costs of assistance have been assessed. Revenue is recognised in arrears once the emergency event has concluded and all assistance outlined in the operating plan has been ceased.

South Australian Country Fire Service
Notes to and forming part of the financial statements
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2.5. Other income

	2021	2020
	\$'000	\$'000
Group/Brigade Fundraising	406	1 862
Sundry revenues	149	243
Donations	10	13
Insurance recoveries	118	6
Salary recoveries	4	1
Donated asset	-	34
Other	151	83
Total other income	838	2 242

Recoveries include employee benefits recoveries (i.e. where employees are seconded to other agencies or Commonwealth programs and CFS continues to provide the ongoing salary for the employees) and goods and services (that is, where CFS incurs expenditure on goods and services and later recovers the expenditure).

CFS volunteer members give a significant number of hours to providing frontline emergency response services to the community and in other support roles. A value for volunteers is not recognised in the financial statements as the recognition criteria of AASB 1058 *Income of Not-For-Profit Entities* has not been met.

3. Board, committees and employees

3.1. Key management personnel

Key management personnel of CFS include the Minister, the Chief Officer, the Deputy Chief Officer and Executive Director of the agency, who has responsibility for the strategic direction and management of the agency. Total compensation for key management personnel was \$708 000 in 2020-21 and \$674 000 in 2019-20.

The compensation detailed below excludes salaries and other benefits received by the Minister for Police, Emergency Services and Correctional Services. The Minister's remuneration and allowances are set by the *Parliamentary Remuneration Act 1990* and the Remuneration Tribunal of SA respectively and are payable from the Consolidated Account (via DTF) under section 6 the *Parliamentary Remuneration Act 1990*.

	2021	2020
	\$'000	\$'000
Compensation		
Salaries and other short term employee benefits	647	611
Post-employment benefits	61	63
Total compensation	708	674

Transactions with key management personnel and other related parties

CFS did not enter into any transactions with key management personnel or their close family during the reporting period that were not consistent with normal procurement arrangements.

South Australian Country Fire Service
Notes to and forming part of the financial statements
For the year ended 30 June 2021

3.2. Remuneration of board and committee members

Members of boards and committees during 2021 were:

State Bushfire Coordination Committee

A Allen*	F Dunstan* (term expired 13 November 2020)
N G Bamford*	J Frizenschaf* (term expired 13 November 2020)
J S Crocker*	D S Gilbertson
A De Piaz* (term expired 13 November 2020)	H L Greaves
C Gibson* (term expired 13 November 2020)	M M Healy (term expired 13 November 2020)
F J Gill*	T M W Kelly (term expired 13 November 2020)
W R McIntosh	D Leblond*
M S Jones*	J D Lindner
J Nairn*	C W Patterson* (term expired 13 November 2020)
J Psyridis* (term expired 13 November 2020)	J Slocombe* (term expired 13 November 2020)
C B Daniels (term expired 13 November 2020)	M R Sutton*
S A Reardon (term expired 13 November 2020)	I Tanner* (term expired 13 November 2020)
M C Roche (term expired 13 November 2020)	N Rea (term expired 20 January 2021)
W B Thorley (term expired 13 November 2020)	E Petrenas*
P R White	B A Swaffer (appointed 14 November 2020)
E C Jenke (term expired 9 January 2021)	D Ezis* (appointed 14 November 2020)
A Walsh (appointed 14 November 2020)	D Kowalski* (appointed 14 November 2020)
B Loughlin* (appointed 14 November 2020)	G Venditto* (appointed 14 November 2020)
G V Brown* (appointed 14 November 2020)	M Anolak* (appointed 14 November 2020)
J Moyle (appointed 14 November 2020)	M S Martin* (appointed 14 November 2020)
M Ashley (appointed 14 November 2020)	P Merry (appointed 14 November 2020)
M Blason (appointed 14 November 2020)	T Moffat* (appointed 14 November 2020)
P Button* (appointed 14 November 2020)	F Crisci*
R A Cadd (appointed 14 November 2020)	G P Benham*
K M Egan*	E M Sommerville (term expired 13 November 2020)
S Barone* (term expired 13 November 2020)	
D Colliar* (term expired 13 November 2020)	
J Crampton* (term expired 13 November 2020)	
J B Drew*	

* In accordance with the Premier and Cabinet's Circular Number 016, government employees did not receive any remuneration for board/committee duties during the financial year.

Board and committee remuneration

The number of members whose remuneration received/receivable falls within the following bands:

The number of members whose remuneration received or receivable falls within the following bands:	2021	2020
\$0 - \$19 999	54	38
Total number of members	54	38

The total remuneration received or receivable by members was \$3 000 (2020: \$9 000). Remuneration of members includes sitting fees, superannuation contributions, salary sacrifice benefits, fringe benefits and related fringe benefits tax.

South Australian Country Fire Service
Notes to and forming part of the financial statements
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3.3. Employee benefits expenses

	2021	2020
	\$'000	\$'000
Salaries and wages	16 480	16 223
Workers compensation	(1 988)	(4 902)
Employment on-costs - superannuation	1 652	1 468
Annual leave	1 407	1 221
Long service leave	439	(54)
Payroll tax	991	926
Skills and experience retention leave	94	72
Other employment related expenses	67	49
Board fees	3	9
Additional compensation	(390)	349
Total employee benefits expenses	18 755	15 361

Employment on-costs – superannuation

The superannuation employment on-cost charge represents CFS's contributions to superannuation plans in respect of current services of current employees. There are no liabilities for payments to beneficiaries recognised by CFS as they have been assumed by the respective superannuation schemes.

Workers compensation and Additional Compensation

A write down of the provision for workers compensation and the provision for additional compensation liabilities at 30 June 2021 has led to a decrease in the workers compensation and additional compensation expenses. This write down is largely due to a reduction in compensation claims.

Employee remuneration

The number of employees whose remuneration received or receivable falls within the following bands:

	Employees	
	2021	2020
	Number	Number
\$154 001 to \$174 000	3	9
\$174 001 to \$194 000	-	5
\$194 001 to \$214 000	-	1
\$254 001 to \$274 000	1	1
\$274 001 to \$294 000	2	-
Total	6	16

The total remuneration received by these employees for the year was \$1.32 million (2020: \$2.84 million).

The table includes all employees who received remuneration equal to or greater than the base executive remuneration level during the year. Remuneration of employees reflects all costs of employment including salaries and wages, payments in lieu of leave, superannuation contributions, salary sacrifice benefits and fringe benefits and any fringe benefits tax paid or payable in respect of those benefits.

South Australian Country Fire Service
Notes to and forming part of the financial statements
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3.4. Employee benefits liability

	2021	2020
	\$'000	\$'000
Current		
Annual leave	2 224	2 126
Accrued salaries and wages	582	450
Skills and experience retention leave	131	128
Long service leave	320	320
Total current employee benefits	3 257	3 024
Non-current		
Long service leave	3 951	3 893
Total non-current employee benefits	3 951	3 893
Total employee benefits	7 208	6 917

Employee benefits accrue for employees as a result of services provided up to the reporting date that remain unpaid. Long-term employee benefits are measured at present value and short-term employee benefits are measured at nominal amounts.

Salaries and wages, annual leave, skills and experience retention leave (SERL) and sick leave

The liability for salary and wages is measured as the amount unpaid at the reporting date at remuneration rates current at the reporting date.

The annual leave liability and the SERL liability in full is expected to be payable within 12 months and is measured at the undiscounted amount expected to be paid.

No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees is estimated to be less than the annual entitlement for sick leave.

Long service leave

The liability for long service leave is measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Details about the measurement of long service leave liability is provided as note 10.1.

South Australian Country Fire Service
Notes to and forming part of the financial statements
For the year ended 30 June 2021

4. Expenses

Employee benefits expenses are disclosed in note 0.

4.1. Supplies and services

	2021	2020
	\$'000	\$'000
Aerial firefighting	11 992	19 795
Government radio network	13 287	12 892
Vehicles	8 710	10 307
Operational costs	4 320	8 550
Property costs	3 353	4 026
Travel and training	2 306	3 886
Consultancy, contractor and legal fees	3 124	3 474
Uniforms and protective clothing	2 377	2 111
Communications	2 579	2 043
Computing costs	1 990	1 670
Accommodation	891	483
Insurance premiums	350	315
Short term leases	392	467
Other expenses	3 081	2 734
Total supplies and services	58 752	72 753

Accommodation

CFS hold accommodation agreements with the Department for Infrastructure and Transport (DIT) under Memoranda of Administrative Arrangement (MoAA) issued in accordance with Government-wide accommodation policies for a number of sites. These arrangements do not meet the definition of lease set out in AASB 16.

Other

Audit fees paid/payable to the Auditor-General's Department (AGD) relating to work performed under the *Public Finance and Audit Act* were \$32 000 (2020: \$30 000). These costs are recognised in Other expenses above. No other services were provided by AGD.

Leases

CFS recognises lease payments associated with short-term leases (12 months or less) and low value leases (less than \$15 000) as an expense on a straight-line basis over the lease term.

Consultants

The number of consultancies and the dollar amount paid/payable (included in supplies and services expense) to consultants that fell within the following bands:

	2021	2021	2020	2020
	No.	\$'000	No.	\$'000
Below \$10 000	-	-	8	18
\$10 000 or above	6	615	4	325
Total paid / payable to the consultants	6	615	12	343

South Australian Country Fire Service
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4.2. Depreciation and amortisation

	2021	2020
	\$'000	\$'000
Depreciation		
Vehicles	8 213	7 537
Buildings	2 682	2 412
Communications equipment	1 677	1 736
Plant and equipment	520	502
Computer equipment	15	8
Right-of-use land	1	1
Right-of-use buildings	438	682
Right-of-use vehicles	596	626
Right-of-use plant and equipment	470	-
Total depreciation	14 612	13 504
Amortisation		
Computer software	85	98
Total amortisation	85	98
Total depreciation and amortisation	14 697	13 602

All non-current assets, having a limited useful life, are systematically depreciated/amortised over their useful lives in a manner that reflects the consumption of their service potential.

Review of accounting estimates

Assets' residual values, useful lives and amortisation methods are review and adjusted, if appropriate, on an annual basis. Changes in the expected life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for prospectively by changing the time period or method, as appropriate.

Useful life

Depreciation and amortisation are calculated on a straight-line basis. Property, plant and equipment and intangible assets depreciation and amortisation are calculated over the estimated useful life as follows:

Class of asset	Useful life (years)
Buildings	1-40
Vehicles	1-30
Communications equipment	1-10
Plant and equipment	1-20
Computer equipment	3-6
Computer software	5
ROU assets	1 - 77

The amortisation period and the amortisation method for intangible assets is reviewed on an annual basis.

South Australian Country Fire Service
Notes to and forming part of the financial statements
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4.3. Net gain / (loss) from disposal of non-current assets

	2021	2020
	\$'000	\$'000
Land and buildings		
Proceeds from disposal	-	-
Costs of disposal	(4)	-
Net gain / (loss) from disposal of land and buildings	(4)	-
Vehicles		
Proceeds from disposal	741	497
Less net book value of assets disposed	(1 017)	(501)
Net gain / (loss) from disposal of vehicles	(276)	(4)
Plant and equipment		
Proceeds from disposal	-	4
Costs of disposal	(48)	(5)
Net gain / (loss) from disposal of plant and equipment	(48)	1
Total assets:		
Proceeds from disposal of non-current assets	741	501
Costs of disposal	(52)	(5)
Net book value of assets disposed	(1 017)	(501)
Net gain/(loss) on disposal of owned assets	(328)	(5)
Gain/ (loss) on modification of right-of-use assets	3	1
Net loss from disposal of non-current assets	(325)	(4)

Gains/losses on disposal are recognised at the date at which control of the asset is passed to the buyer and are determined after deducting the cost of the asset from the proceeds at that time. When revalued assets are sold, the revaluation surplus is transferred to retained earnings.

Gains/losses on modification of right-of-use (ROU) assets include the derecognition of the ROU assets (note 5.1) and associated lease liabilities (note 7.2) where the lease terms and conditions were modified during the current year.

4.4. Other expenses

	2021	2020
	\$'000	\$'000
CWIP write off	68	-
Impairment loss	242	-
Total other expenses	310	-

South Australian Country Fire Service
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5. Non-financial assets

5.1. Property, plant and equipment by asset class

	2021 \$'000	2020 \$'000
Land		
Land at fair value	15 640	15 640
Total land	15 640	15 640
Buildings		
Buildings at fair value	47 267	45 535
Accumulated depreciation	(4 399)	(1 717)
Total buildings	42 868	43 818
Vehicles		
Vehicles at fair value	124 804	107 694
Accumulated depreciation	(13 363)	(5 167)
Total vehicles	111 441	102 527
Communications (Comms.) equipment		
Communications equipment at fair value	10 927	10 587
Accumulated depreciation	(2 854)	(1 177)
Total communications equipment	8 073	9 410
Computer equipment		
Computer equipment at fair value	84	35
Accumulated depreciation	(19)	(5)
Total computer equipment	65	30
Plant and equipment		
Plant and equipment at fair value	5 499	4 723
Accumulated depreciation	(832)	(311)
Total plant and equipment	4 667	4 412
Capital work in progress		
Capital works in progress at cost (deemed fair value)	28 240	28 782
Total capital work in progress	28 240	28 782
Right-of-use land		
Right-of-use land at cost	67	67
Accumulated amortisation	(2)	(1)
Total right-of-use land	65	66
Right-of-use buildings		
Right-of-use buildings at cost	2 152	2 829
Accumulated amortisation	(814)	(682)
Total right-of-use buildings	1 338	2 147

South Australian Country Fire Service
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5.1 Property, plant and equipment by asset class (continued)

	2021	2020
	\$'000	\$'000
Right-of-use vehicles		
Right-of-use vehicles at cost	1 870	1 643
Accumulated amortisation	(1 095)	(589)
Total right-of-use vehicles	<u>775</u>	<u>1 054</u>
Right-of-use plant and equipment		
Right-of-use plant and equipment at cost	9 320	-
Accumulated amortisation	(470)	-
Total right-of-use plant and equipment	<u>8 850</u>	<u>-</u>
Total property, plant and equipment	<u><u>222 022</u></u>	<u><u>207 886</u></u>

South Australian Country Fire Service
Notes to and forming part of the financial statements
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5.2. Property, plant and equipment owned by CFS

Property, plant and equipment owned by agency with a value equal to or in excess of \$10 000 is capitalised, otherwise it is expensed. Property, plant and equipment owned by agency is initially recorded on a cost basis and subsequently measured at fair value. Where assets are acquired at no value or minimal value they are recorded at fair value in the Statement of Financial Position. Detail about the agencies approach to fair value is set out in note 10.2.

Impairment

Property, plant and equipment have not been assessed for impairment as they are non-cash generating assets, that are specialised in nature and held for continual use of their service capacity and are subject to regular revaluation.

Reconciliation 2020-21

	Land \$'000	Buildings \$'000	Vehicles \$'000	Comms. equipment \$'000	Computer equipment \$'000	Plant & equipment \$'000	Work in progress \$'000	Total \$'000
Carrying amount at the beginning of the period	15 640	43 818	102 527	9 410	30	4 412	28 782	204 619
Acquisitions	-	-	-	-	-	41	20 526	20 567
Transfers from capital WIP	-	1 732	18 144	340	50	734	(21 000)	-
Depreciation	-	(2 682)	(8 213)	(1 677)	(15)	(520)	-	(13 107)
Disposals	-	-	(1 017)	-	-	-	-	(1 017)
CWIP write off	-	-	-	-	-	-	(68)	(68)
Carrying amount at the end of the period	15 640	42 868	111 441	8 073	65	4 667	28 240	210 994

Reconciliation 2019-20

	Land \$'000	Buildings \$'000	Vehicles \$'000	Comms. equipment \$'000	Computer equipment \$'000	Plant & equipment \$'000	Work in progress \$'000	Total \$'000
Carrying amount at the beginning of the period	13 268	37 163	89 586	9 571	10	3 716	27 417	180 731
Acquisitions	-	-	-	-	-	-	18 501	18 501
Transfers from capital WIP	-	4 706	11 718	261	-	451	(17 136)	-
Depreciation	-	(2 412)	(7 537)	(1 736)	(8)	(502)	-	(12 195)
Disposals	-	-	(501)	-	-	-	-	(501)
Transfers between asset classes	-	(267)	-	-	-	-	-	(267)
Donated assets	-	-	34	-	-	-	-	34
Revaluation increment	2 372	4 628	9 227	1 314	28	747	-	18 316
Carrying amount at the end of the period	15 640	43 818	102 527	9 410	30	4 412	28 782	204 619

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5.3. Property, plant and equipment leased by CFS

Right-of-use property, plant and equipment leased by CFS is measured at cost and there were no indications of impairment of right-of-use assets. Additions to leased property, plant and equipment during 2020-21 were \$210 000.

Short-term leases of 12 months or less and low value leases where the underlying asset value is less than \$15,000 are not recognised as right-of-use assets. The associated lease payments are recognised as an expense and are disclosed in note 4.1.

The agency has a limited number of leases:

- 142 motor vehicle leases with the South Australian Government Financing Authority (SAFA). Motor vehicle leases are non-cancellable, with rental payments monthly in arrears. Motor vehicle lease terms can range from 3 years (60,000km) up to 5 years (100,000km).
- the CFS has 12 commercial leases for land and buildings used for the purpose of CFS brigade and group operational and administrative activities.
- CFS holds a commercial lease over plant used for PFAS remediation purposes.

The lease liabilities and interest expense related to the right-of-use assets are disclosed in note 7.2. The agency's maturity analysis of its lease liabilities is disclosed in note 10.3. Depreciation expense is disclosed in note 4.2. Cash outflows related to leases are disclosed in note 8.2. CFS has not committed to any lease arrangements that have not commenced from 1 July.

South Australian Country Fire Service
Notes to and forming part of the financial statements
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5.4. Intangible assets

	2021	2020
	\$'000	\$'000
Computer software	277	277
Accumulated amortisation	(193)	(108)
Total software	84	169

Intangible assets are initially measured at cost and are tested for indications of impairment at each reporting period. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The acquisition of or internal development of software is capitalised only when the expenditure meets the definition and recognition criteria and when the amount of expenditure is greater than or equal to \$10 000.

	Computer software
	\$'000
Reconciliation 2020-21	
Carrying amount at the beginning of the period	169
Amortisation	(85)
Carrying amount at the end of the period	84

	Computer software
	\$'000
Reconciliation 2019-20	
Carrying amount at the beginning of the period	-
Transfer between asset classes	267
Amortisation	(98)
Carrying amount at the end of the period	169

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6. Financial assets

6.1. Cash and cash equivalents

	2021	2020
	\$'000	\$'000
Deposits with the Treasurer (Special deposit accounts)	20 320	20 050
Cash at bank - Groups/Brigades	5 377	5 411
Short-term deposits - Groups/Brigades	1 223	607
Cash at bank	8	7
Cash on hand	4	5
Total cash and cash equivalents	26 932	26 080

Cash is measured at nominal amounts.

Deposits with the Treasurer

Special deposit accounts are established under section 8 of the *Public Finance and Audit Act 1987*. Special deposit accounts must be used in accordance with their approved purpose. One operating account is held with the Treasurer. This account is interest bearing.

Cash at bank – Groups/Brigades

Accounts held at Brigade and Group level comprising of proceeds from fundraising, donations and other local activities.

Short term deposits

Short-term deposits are made for varying periods of between one day and three months. The deposits are lodged with various financial institutions at their respective short-term deposit rates.

Interest rate risk

Cash on hand is non-interest bearing. CFS does not earn interest on its deposits with the Treasurer. The carrying amount of cash and cash equivalents represent fair value.

6.2. Receivables

	2021	2020
	\$'000	\$'000
Current		
Receivables	2 452	5 446
Less impairment loss on receivables	(4)	(1)
GST input tax recoverable	1 469	682
Accrued Revenue	12	1 853
Prepayments	303	157
Total current receivables	4 232	8 137
Total receivables	4 232	8 137

Receivables arise in the normal course of selling goods and services to other government agencies and to the public. Receivables are normally settled within 30 days after the issue of an invoice or the goods/services have been provided under a contractual arrangement. Receivables, prepayments and accrued revenues are non-interest bearing. Receivables are held with the objective of collecting the contractual cash flows and they are measured at amortised cost.

Other than as recognised in the allowance for impairment loss, it is not anticipated that counterparties will fail to discharge their obligations. The carrying amount of receivables approximates net fair value due to being receivable on demand. There is no concentration of credit risk.

The net amount of GST recoverable from the ATO is included as part of receivables.

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Refer to note 10.3 for further information on risk management.

6.2. Receivables (continued)

Allowance for impairment loss on receivables

	2021	2020
	\$'000	\$'000
Carrying amount at the beginning of the period	1	8
Amounts written off	(17)	(11)
Increase/(decrease) in the allowance	20	4
Carrying amount at the end of the period	4	1

All of the above impairment losses are from receivables arising from contracts with customers.

Refer to note 10.3 for details regarding credit risk and the methodology for determining impairment.

6.3. Other financial assets

	2021	2020
	\$'000	\$'000
Medium term deposits - Groups/Brigades	1 850	2 055
Total receivables	1 850	2 055

Medium-term deposits are made for varying periods of between three months and twelve months. The deposits are lodged with various financial institutions at their respective medium-term deposit rates.

6.4. Non-current assets classified as held for sale

	2021	2020
	\$'000	\$'000
Land	500	742
Total non-current assets classified as held for sale	500	742

Non-current assets (or disposal groups) are classified as held for sale and stated at the lower of their carrying amount and fair value less costs to sell if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable, and the asset's sale is expected to be completed one year from the date of classification.

The Sector has measured the land and buildings held for sale at fair value less costs to sell because the assets' fair value less costs to sell is lower than its carrying amount.

CFS has assessed the land and buildings held for sale based on current conditions and the asset has been impaired by \$242 000 (refer to note 4.4).

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7. Liabilities

Employee benefits liabilities are disclosed in note 0.

7.1. Payables

	2021 \$'000	2020 \$'000
Current		
Creditors	74	342
Accrued expenses	10 414	4 558
Paid Parental Leave Scheme payable	11	-
Employment on-costs	565	508
Total current financial liabilities	11 064	5 408
Non-current		
Creditors	6	6
Employment on-costs	375	364
Total non-current financial liabilities	381	370
Total payables	11 445	5 778

Payables are measured at nominal amounts. Payables and accruals are raised for all amounts owing but unpaid. Sundry payables are normally settled within 30 days from the date the invoice is first received. All payables are non-interest bearing. The carrying amount of payables represents fair value due to their short-term nature.

Employment on-costs

Employment on-costs include payroll tax, WorkCover levies and superannuation contributions and are settled when the respective employee benefits that they relate to is discharged.

CFS contributes to several State Government and externally managed superannuation schemes. These contributions are treated as an expense when they occur. There is no liability for payments to beneficiaries as they have been assumed by the respective superannuation schemes. The only liability outstanding at reporting date relates to any contributions due but not yet paid to the South Australian Superannuation Board.

As a result of an actuarial assessment performed by the Department of Treasury and Finance (DTF), the proportion of long service leave taken has remained at 42%. The average factor for the calculation of employer superannuation on-costs has changed to 10.1% from the 2020 rate (9.8%). These rates are used in the employment on-cost calculation. The net financial effect of the changes in the current financial year is not material. The estimated impact on future periods is not expected to be materially different to the effect on the current period as shown above.

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7.2. Financial liabilities

	2021 \$'000	2020 \$'000
Current		
Lease liabilities	1 597	1 199
Total current financial liabilities	1 597	1 199
Non-current		
Lease liabilities	9 511	2 118
Total non-current financial liabilities	9 511	2 118
Total financial liabilities	11 108	3 317

All material cash outflows are reflected in the lease liabilities disclosed above.

CFS measures lease liabilities at discounted future lease payments using either the interest rate implicit in the lease or the Department of Treasury and Finance's incremental borrowing rate. There were no defaults or breaches throughout the year.

Interest expense paid on lease liabilities during 2020-21 was \$154 000 (2019-20 \$62 000). CFS does not capitalise borrowing costs.

7.3. Provisions

	2021 \$'000	2020 \$'000
Current		
Provision for workers compensation	1 272	1 944
Additional compensation	37	40
Total current provisions	1 309	1 984
Non-current		
Provision for workers compensation	7 799	10 474
Additional compensation	2 543	2 933
Total non-current provisions	10 342	13 407
Total provisions	11 651	15 391
Movement in provisions	2021 \$'000	2020 \$'000
Workers compensation:		
Carrying amount at the beginning of the period	12 418	18 295
Reduction arising from payments	(1 359)	(975)
Reduction resulting from re-measurement	(1 988)	(4 902)
Carrying amount at the end of the period	9 071	12 418
Additional compensation:		
Carrying amount at the beginning of the period	2 973	2 645
Reductions resulting from re-measurement	(382)	348
Reduction resulting from payments	(11)	(20)
Carrying amount at the end of the period	2 580	2 973

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7.3. Provisions (continued)

Workers Compensation

A provision has been reported to reflect unsettled workers compensation claims. The workers compensation provision is based on an actuarial assessment of the outstanding liability as at 30 June 2021 provided by a consulting actuary engaged through the Office of the Commissioner for the Public Sector. The provision is for the estimated cost of ongoing payments to workers as required under current legislation.

CFS is responsible for the payment of workers compensation claims.

Presumptive workers compensation coverage for firefighters for a range of cancers came into effect in 2013. The workers compensation provision includes an actuarial assessment of firefighter cancer claims. However, the actuarial assessment is sensitive to changes in assumptions and there is a significant degree of uncertainty associated with estimating future claim and expense payments.

The provision has decreased in 2021 based on observed reduction in the number of known and incurred but not reported cancer claims and a reduction in the average claim size for non-seriously injured workers cancer claims.

Additional Compensation for Certain Work-Related Injuries or Illnesses (Additional Compensation provision)

Additional compensation was introduced in 2018 and provides continuing benefits to workers who have suffered eligible work-related injuries and whose entitlements have ceased under the statutory workers compensation scheme.

The additional compensation provision is based on an actuarial assessment of the outstanding liability as at 30 June 2021 provided by a consulting actuary engaged through the Office of the Commissioner for Public Sector Employment. The provision is for the estimated cost of ongoing payments to workers as required under current arrangements.

CFS is responsible for the payment of additional compensation claims.

There is a degree of uncertainty associated with this estimate. In addition to the general uncertainties associated with estimating future claim and expense payments, the additional compensation provision is impacted by a short claim's history and the evolving nature of the interpretation of, and evidence required to meet, eligibility criteria.

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8. Other disclosures

8.1. Equity

The asset revaluation surplus is used to record increments and decrements in the fair value of property and plant and equipment to the extent that they offset one another. Relevant amounts are transferred to retained earnings when an asset is derecognised.

8.2. Cash flow reconciliation

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the ATO is classified as part of operating cash flows.

Total cash outflows for leases for CFS was \$1.92 million (2019-20: \$1.23 million).

Cash Flow Reconciliation	2021	2020
	\$'000	\$'000
Reconciliation of cash and cash equivalents at the end of the reporting period		
Cash and cash equivalents disclosed in the Statement of Financial Position	26 932	26 080
Balance as per the Statement of Cash Flows	26 932	26 080
Reconciliation of net cash provided by operating activities to net cost of providing services		
Net cash provided by operating activities	15 816	23 410
Add / (less) non-cash items		
Depreciation and amortisation	(14 697)	(13 602)
Donated assets	-	34
Impairment loss	(242)	-
Net gain/(loss) from disposal of non-current assets	(325)	(4)
Movement in assets and liabilities		
Increase/(decrease) in receivables	(3 905)	2 552
(Increase)/decrease in payables	446	5 069
(Increase)/decrease in employee benefits	(291)	63
(Increase)/decrease in provisions	3 740	5 549
Net result	542	23 071

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9. Outlook

9.1. Unrecognised contractual commitments

Commitments include operating, capital and outsourcing arrangements arising from contractual or statutory sources and are disclosed at their nominal value.

Capital commitments

Capital expenditure contracted for at the reporting date but not recognised as liabilities in the financial report, are payable as follows:

	2021	2020
	\$'000	\$'000
Within one year	8 521	6 398
Later than one year but not later than five years	3 507	-
Total capital commitments	12 028	6 398

These capital commitments are for building, vehicle and equipment projects.

Expenditure commitments

Expenditure contracted for at the reporting date but not recognised as liabilities in the financial report, are payable as follows:

	2021	2020
	\$'000	\$'000
No later than one year	8 121	7 561
Later than one year but not later than five years	1 857	389
Later than five years	1 057	-
Total expenditure commitments	11 035	7 950

Contractual commitments relate to accommodation, information technology, aerial firefighting, equipment supply and maintenance contracts, and supply of personal protective clothing.

The above commitments figures do not include the cost of the new Emergency Services Headquarters that parts of the sector will be relocating to in late 2021 as the agreement is not yet finalised.

9.2. Contingent assets and liabilities

Contingent assets and contingent liabilities are not recognised in the Statement of Financial Position, but are disclosed by way of a note and, if quantifiable, are measured at nominal value.

The CFS is not aware of any contingent assets or liabilities at the reporting date.

At 30 June 2020 CFS was aware of a contingent liability of \$0.117 million in relation to two transactions that were possible obligations but the obligation to pay was uncertain. In 2020-21 these transactions were settled.

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9.3. Impact of standards and statements not yet effective

The CFS has assessed the impact of the new and amended Australian Accounting Standards and Interpretations not yet implemented and changes to the Accounting Policy Statements issued by the Treasurer. There are no Accounting Policy Statements that are not yet in effect.

Amending Standard AASB 2020-3 *Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments* will apply from 1 July 2022 and Amending Standard AASB 2021-2 *Amendments to Australian Accounting Standards - Disclosure of Accounting Policies and Definition of Accounting Estimates* will apply from 1 July 2023. Although applicable to CFS, this amending standard is not expected to have an impact on the CFS's general purpose financial statements. SES will update its policies, procedures and work instructions, where required, to reflect the additional clarification requirements.

Amending Standard AASB 2020-1 *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current* will apply from 1 July 2023. The CFS continues to assess liabilities eg LSL and whether or not the CFS has a substantive right to defer settlement. Where applicable these liabilities will be classified as current.

9.4. COVID-19 pandemic outlook for CFS

The COVID-19 pandemic will continue to impact the operations of the agency in 2021-22. The key expected impacts are:

- Further significant outbreaks of the COVID-19 pandemic in South Australia would see greater response measures with associated additional expenses
- Additional assistance to SA Health and other SA Government departments in response to the COVID-19 pandemic
- Additional expenditure to keep CFS personnel and volunteers safe while maintaining service delivery to the community
- Additional expenditure may be incurred in response to the COVID-19 pandemic due to supplier business restrictions
- Delays in the delivery of capital and ICT programs and increased capital expenditure due to supplier business restrictions and demand.

9.5. Events after the reporting period

There were no events after the reporting period affecting the financial statements.

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10. Measurement and risk

10.1. Long service leave

AASB 119 *Employee Benefits* contains the calculation methodology for long service leave liability.

The actuarial assessment performed by DTF has provided a basis for the measurement of long service leave and is based on actuarial assumptions on expected future salary and wage levels, experience of employee departures and periods of service. These assumptions are based on employee data over the police and emergency services sector.

AASB 119 requires the use of the yield on long-term Commonwealth Government bonds as the discount rate in the measurement of the long service leave liability. The yield on long-term Commonwealth Government bonds has increased from 2020 (1.00%) to 1.50% in 2021.

This change in the bond yield, which is used as the rate to discount future long service leave cash flows, results in a decrease in the reported long service leave liability.

The net financial effect of the changes to actuarial assumptions in the current financial year is a decrease in both the long service leave liability and employee benefits expense of \$207 386. The impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of demographical and financial assumptions - including the long-term discount rate.

The actuarial assessment performed by DTF left the salary inflation rate at 2.50% for long service leave liability. As a result, there is no net financial effect resulting from changes in the salary inflation rate.

Current long service leave reflects the portion of leave expected to be settled within the next 12 months, based on the average proportion of long service leave taken or paid over the last 3 years.

10.2. Fair value

AASB 13 *Fair Value Measurement* defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants, in the principal or most advantageous market, at the measurement date.

The revaluation process is reviewed by CFS each year.

Non-current tangible assets are valued at fair value and revaluation of non-current assets or a group of assets is only performed when the fair value at the time of acquisition is greater than \$1.5 million and estimated useful life is greater than three years.

Revaluation is undertaken on a regular cycle as detailed below. If at any time management considers that the carrying amount of an asset materially differs from its fair value, then the asset will be revalued regardless of when the last valuation took place.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amounts of the assets and the net amounts are restated to the revalued amounts of the asset.

The valuation highlighted a possibility of the COVID-19 pandemic impacting the determined fair values. However there is no observable evidence that can reliably quantify the impact at the reporting date.

Fair value hierarchy

CFS classifies the value measurement using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements, based on the data and assumptions used in the most recent revaluation:

Level 1: traded in active markets and is based on unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at measurement date.

Level 2: not traded in active market and are derived from inputs (inputs other than quoted prices included within level 1) that are observable for the asset, either directly or indirectly.

Level 3: not traded in active market and are derived from unobservable inputs.

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10.2. Fair value (continued)

CFS's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period.

During 2020 and 2021, the agency had no valuations categorised into level 1; there were no transfers of assets between level 1 and 2 fair value hierarchy levels and there were no changes in valuation technique.

Fair value classification - non-financial assets at 30 June 2021

	Note	Level 2 \$'000	Level 3 \$'000	Total \$'000
Recurring fair value measurements				
Land	5	882	14 758	15 640
Buildings	5	-	42 868	42 868
Vehicles	5	-	111 441	111 441
Communication equipment	5	-	8 073	8 073
Computer equipment	5	-	65	65
Plant and equipment	5	-	4 667	4 667
Total recurring fair value measurements		882	181 872	182 754
Non- recurring fair value measurements				
Land held for sale		500	-	500
Total non-recurring fair value measurements		500	-	500
Total fair value measurements		1 382	181 872	183 254

Fair value classification - non-financial assets at 30 June 2020

	Note	Level 2 \$'000	Level 3 \$'000	Total \$'000
Recurring fair value measurements				
Land	5	882	14 758	15 640
Buildings	5	-	43 818	43 818
Vehicles	5	-	102 527	102 527
Communication equipment	5	-	9 410	9 410
Computer equipment	5	-	30	30
Plant and equipment	5	-	4 412	4 412
Total recurring fair value measurements		882	174 955	175 837
Non- recurring fair value measurements				
Land held for sale		742	-	742
Total non-recurring fair value measurements		742	-	742
Total fair value measurements		1 624	174 955	176 579

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10.2. Fair value (continued)

Land and buildings

An independent valuation of land and buildings was performed by a Certified Practising Valuer from Liquid Pty Ltd as at 1 November 2019. The CFS did not revalue land and buildings related to peppercorn leased sites. These have been recognised at their carrying amounts from 30 June 2019. The land and buildings values at revaluation were considered relevant for 30 June 2020.

Fair value of land has been determined using the market approach. The valuation was based on recent market transactions for similar land in the area and includes adjustment for factors specific to the land such as size and location. For land classified as restricted in use, fair value was determined by applying an adjustment to reflect the restriction.

The fair value of buildings was determined using current replacement cost, due to there not being an active market. The current replacement cost considered the need for ongoing provision of government services, specialised nature and restricted use of the assets, their size, condition and location.

Plant and equipment

All items of plant and equipment that had a fair value at the time of acquisition less than \$1.5 million and had an estimated useful life that less than three years have not been revalued. The carrying value of these items is deemed to approximate fair value.

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10.2. Fair value (continued)

Reconciliation of level 3 recurring fair value measurement at 30 June 2021

The following table is a reconciliation of fair value measurements using significant unobservable inputs (Level 3):

Reconciliation of level 3 recurring fair value measurements at 30 June 2021

	Land	Buildings	Vehicles	Comms. equipment	Computer equipment	Plant & equipment	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	14 758	43 818	102 527	9 410	30	4 412	174 955
Additions	-	-	-	-	-	41	41
Capitalised asset transfers	-	1 732	18 144	340	50	734	21 000
Disposals	-	-	(1 017)	-	-	-	(1 017)
Gains/(losses) for the period recognised in net result:							
Depreciation	-	(2 682)	(8 213)	(1 677)	(15)	(520)	(13 107)
Total gains/(losses) recognised in net result	-	(2 682)	(8 213)	(1 677)	(15)	(520)	(13 107)
Carrying amount at the end of the period	14 758	42 868	111 441	8 073	65	4 667	181 872

Reconciliation of level 3 recurring fair value measurements at 30 June 2020

	Land	Buildings	Vehicles	Comms. equipment	Computer equipment	Plant & equipment	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	6 470	27 218	89 586	9 571	10	3 716	136 571
Capitalised asset transfers	-	4 706	11 718	261	-	451	17 136
Donated Asset	-	-	34	-	-	-	34
Transfer into level 3	5 991	9 945	-	-	-	-	15 936
Transfers between asset classes	-	(267)	-	-	-	-	(267)
Disposals	-	-	(501)	-	-	-	(501)
Gains/(losses) for the period recognised in net result:							
Depreciation	-	(2 412)	(7 537)	(1 736)	(8)	(502)	(12 195)
Revaluation increments	2 297	4 628	9 227	1 314	28	747	18 241
Total gains/(losses) recognised in net result	2 297	2 216	1 690	(422)	20	245	6 046
Carrying amount at the end of the period	14 758	43 818	102 527	9 410	30	4 412	174 955

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10.3. Financial instruments

Financial risk management

Risk management is managed by CFS corporate services section. Risk management policies are in accordance with the *SA Government Risk Management Guide* and the principles established in the Australian Standard *Risk Management Principles and Guidelines*.

The exposure of the agencies financial risk (liquidity risk, credit risk and market risk) is low due to the nature of the financial instruments held. There have been no changes in risk exposure since the last reporting period.

Liquidity risk

CFS is funded principally from the Fund. The agency works with the Fund to determine the cash flows associated with its Government approved program of work and to ensure funding meets the expected cash flows.

Refer to notes 1.2 and 2.1 for further information.

Credit risk

CFS has policies and procedures in place to ensure that transactions occur with customers with appropriate credit history.

No collateral is held as security and no credit enhancements relate to financial assets held by CFS.

Cash

CFS considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties and therefore the expected credit loss is nil.

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10.3. Financial instruments (continued)

Impairment of financial assets

Loss allowances for receivables are measured at an amount equal to lifetime expected credit loss using the simplified approach in AASB 9. CFS uses an allowance matrix to measure the expected credit loss of receivables from non-government debtors which comprise a large number of small balances.

To measure the expected credit losses, receivables are grouped based on shared risks characteristics and the days past due. When estimating expected credit loss, CFS considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on CFS's historical experience and informed credit assessment, including forward-looking information.

The maximum period considered when estimating expected credit losses is the maximum contractual period over which CFS is exposed to credit risk.

The expected credit loss of government debtors is considered to be nil based on the external credit ratings and nature of the counterparties.

Loss rates are calculated based on the probability of a receivable progressing through stages to write off based on the common risk characteristics of the transaction and debtor.

	Debtor gross carrying amount \$'000	Loss %	Lifetime expected losses \$'000
2021			
Current (not past due)	2 513	0.1%	1
1 - 30 days past due	60	0.2%	-
31 - 60 days past due	6	0.5%	-
61 - 90 days past due	9	4.4%	1
More than 90 days past due	33	6.5%	2

Loss rates are based on actual history of credit loss, these rates have been adjusted to reflect differences between previous economic conditions, current conditions and the CFS's view of the forecast economic conditions over the expected life of the receivables.

Impairment losses are presented as net impairment losses within net result, subsequent recoveries of amounts previously written off are credited against the same line item.

Receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the failure of a debtor to enter into a payment plan with the agency and a failure to make contractual payments for a period of greater than 180 days past due.

Receivables with a contractual amount of \$10 000 written off during the year are still subject to enforcement activity.

The allowance was recognised when there was objective evidence that a receivable was impaired. The allowance for impairment was recognised in other expenses for specific debtors and debtors assessed on a collective basis for which such evidence existed.

Impairment losses on CFS's receivables were \$4 000 (2020: \$1 000). No impairment losses were recognised in relation to contract assets and accrued revenue during the year.

Cash and debt instruments

The agency considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties and therefore the expected credit loss is nil.

CFS's debt investments at amortised cost are considered to have low credit risk and the consideration of expected credit loss was limited to 12 months expected losses. The expected credit loss is nil.

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10.3. Financial instruments (continued)

Market risk

CFS does not trade in foreign currency, nor enter into transactions for speculative purposes, nor for hedging. The agency does not undertake any hedging in relation to interest or foreign currency risk and manages its risk as per the government's risk management strategy articulated in *TI 23 Management of Foreign Currency Exposures*.

Exposure to interest rate risk may arise through its interest-bearing liabilities, including borrowings. CFS's interest bearing liabilities are managed through the South Australian Government Financing Authority (SAFA) and any movement in interest rates are monitored on a daily basis. There is no exposure to foreign currency or other price risks.

There have been no changes in risk exposure since the last reporting period.

Categorisation of financial instruments

Details of the significant accounting policies and methods adopted including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised with respect to each class of financial asset, financial liability and equity instrument are disclosed in the respective financial asset/financial liability note.

Classification of financial instruments

CFS measures all financial instruments at amortised cost excluding lease liabilities which are measured at the present value of expected future cash payments..

Maturity analysis of financial instruments

CFS financial assets and liabilities carrying amount represents their fair value and are expected to be settled within one year excluding lease liabilities for which undiscounted cash flows maturity analysis is disclosed in the below table.

	2021	2020
	\$'000	\$'000
Lease Liabilities		
within 1 year	1 575	1 199
1 to 5 years	3 674	2 118
More than 5 years	7 291	-
Total lease liabilities (undiscounted)	12 540	3 317